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The COMMERCIAL & FINANCIAL CHRONICLE

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OUR REPORTER'S REPORT

The investment fraternity is finding Secretary of the Treasury Morgenthau a source of keen competition these days. But since he is doing a job which outrates all others it goes without saying that there is no rancor or resentment.

On the contrary the rank and file of the underwriting and dealer fraternity is behind the war financing drive to a man, as witness the wholehearted cooperation evidenced in the setting up of regional groups to aid the Treasury's drives.

A natural consequence of the war financing is extreme dullness in the high-grade investment market which, in recent years, has depended primarily on institutional outlets for business.

The top grade market has been "extremely flat" to quote some of the more constant observers among those who usually handle a fair amount of such business.

Normally there is a certain amount of "block" business going through "off-the-board" but such Street deals are few and far between at the moment.

The answer, according to the trade, is that big institutional buyers, such as the insurance companies, are turning their cash into Government War Bonds in substantial manner, obviating to a corresponding extent the call for corporate bonds of high quality.

Five-Ten-Year Maturities

Industrial and utility bonds are virtually stagnant at the moment and have been for some weeks. Portfolios apparently are pretty well set in that direction.

There is a smattering of investor interest in top grade railroad liens from institutional

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Balloting Results On NASD Minimum Capital Amendment Far From Conclusive

Approve------1200
Disapprove---- 700
Didn't Vote--- 700

Editor's Note—Above figures are approximate. The SEC has until August 14th to prohibit the Association from adopting the proposed amendment to its By-Laws which would make it mandatory, after Oct. 15, 1942, for all members of the Association who clear their own transactions to have a net capital of $5,000 at all times (exclusive of fixed assets) and $2,500 in the case of a dealer who clears through others.

A study of the recent voting on the various amendments to the rules and by-laws of the National Association of Securities Dealers quickly reveals, in our opinion, the natural deplorable consequences of the thoroughly unsatisfactory manner in which the referendum was conducted. The fact that the different proposals, the most controversial of which was the minimum capital plan (Article 1, Section 1), was approved does not of itself tell the complete story. Indeed, it would appear that the verdict could not have been entirely unexpected as the method of voting prescribed by the NASD was definitely unorthodox (to say the least), and certainly not calculated to permit of a free and untrammeled expression of opinion. We say this in all sincerity and without any intention to question the good faith of the sponsors of the vote.

It should be apparent to anybody, however, that the requirement of a signed ballot was not in accord with the traditional American way of conducting elections and, for that reason, quite possibly may have influenced in important degree the outcome of the balloting. Whatever explanation can be made, as a case in point, for the circumstance that of the aggregate of 2,600 members of the NASD, only 1,900 elected to vote on the proposals, the remaining 700, or almost 28% of the grand total, having decided to entirely ignore taking any stand in the balloting.

Certainly it cannot be argued that this large number of members felt that the questions involved were so trivial and unimportant as not to merit their consideration. Nor was there any lack of discussion of the measures, or campaigning on their behalf, among the entire membership of the organization.

The answer, in our opinion, can be found in the reluctance of many dealers to even put a mere check alongside of the words "approve" or "disapprove" on a signed ballot because they were afraid to make known their views. It was fear, real or imaginary, of possible reprisals, in one form or another, that prompted their decision to remain silent on an issue (palpably in contravention of time-honored American traditions and possibly unconstitutional), that the right

(Continued on page 271)

Plans Announced To Study Joint Problems Confronting SEC And The Securities Industry

At their initial conference in Philadelphia on July 20, representatives of the securities industry and the Securities and Exchange Commission explored in general the joint problems confronting each other and laid down a seven-point "starter" program to be studied by small committees and the Commission's staff.

The general program, to be pursued by the conferees and on which specific recommendations are expected to be made at the next meeting on Aug. 17, follows:

1. Activities in assistance of the war effort.
2. Expenses of operation.
3. Uniform reporting to Federal and State agencies and others.
4. Standards of corporate accounting.
5. General questions relating to trading practices.
6. Cooperation between exchanges.
7. Assistance by the securities industry in effecting necessary exchanges and allocations of public utility holding company systems' properties and securities to accomplish the ends of the Holding Company Act.

The meeting, held at the suggestion of Ganson Purcell, SEC Chairman, was indicated as harmonious and in complete understanding. Reporting, Mr. Purcell as explaining that "it is our plan to appoint members of our staff to serve with members of the business groups to study the subjects and to report back at future meetings," an account of the meeting by Walter W. Reich to the New York "Times" from Philadelphia further quoted Mr. Purcell as follows: "Then we will have something to work on, when specific recommendations have been laid before us.

"The items were fixed only after listening to problems which various representatives raised. No program was laid down on a predigested basis. We sat around and talked freely. There were other suggestions made which were not taken up by general agreement. There was no dog fight. We simply surveyed the situation for the future."

Taking up the first subject, Mr. Purcell said:

"We hope to study alien activities from a financial standpoint. There is a good deal that goes through a brokerage office that is not noticed. The brokerage business is so complicated that sometimes what is actually hurting the national interest is passed by. It is contemplated in this connection that the foreign fund control and the Enemy Alien Act will be closely studied.

"This, he added, meant that an attempt would be made by the group to prevent enemy aliens or alien sympathizers from liquidating securities in this country to finance sabotage, espionage and fifth column activities.

"The second subject, expenses of operation, was taken up, Mr. Purcell went on, because 'the state of the securities business being what it is, there cannot be customary trading activities.'

" 'Therefore,' he expanded, 'a problem for attack is one of expenses of operation, making sure that duplications of expense and so on do not occur. It calls for a review of the whole operation of the industry from the point of view of expense.'

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Kenower Elected Pres. By Detroit Bond Club

DETROIT, MICH. — John L. Kenower was elected the twenty-seventh President of the Bond Club of Detroit for the year 1942-43 at a special meeting of the Board of Directors.

John L. Kenower

Mr. Kenower has been engaged in the municipal bond business in Detroit since his graduation from the University of Michigan in 1925, having started with the Guardian Trust Company. In June of 1933, with Gerald E. Miller and Jones B. Shannon he started the firm of Shannon, Kenower and Company, Inc., which name was later changed to Miller, Kenower & Company, Inc., and he is now President of that firm. He has been actively interested in investment associations for several years, having been Chairman of the Municipal Committee of the Investment Bankers Association, Michigan Group in 1937 and 1938; Chairman of the Michigan Group, I. B. A. 1939-40; Director of the Municipal Advisory Council of Michigan 1934 through 1938 and Chairman of that Council 1935-36. He is a member of the Investment Bankers Association of America, Securities Traders Association of Detroit and Michigan, U. of M. Club of Detroit and Country Club of Detroit.

Other officers elected are Alonzo C. Allen of Blyth & Co., Inc., Vice-President; William N. Adams of Braun, Bosworth & Co., Secretary-Treasurer. These officers together with Ralf A. Crockston, Hornblower and Weeks, Bert F. Ludington, Watling, Lerchen & Co., Harold C. Chapel, Crouse, Bennett & Smith, and Richard T. Purdy, First of Michigan Corp., will comprise the Board of Directors for the coming year.

Finance Co. Interesting

Newborg & Co., 80 Broad Street, New York City, members of the New York Stock Exchange have prepared a memorandum on Industrial Finance Corporation preferred stock. Copies of the memorandum may be had from the firm upon request.

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"Just A Little Inflation"

The way Congress and the Administration and the various government agencies, along with farm and labor leaders, are handling the inflation problem, it looks like they feel that maybe just a "little" inflation will be all right. But the trouble is that a "little" inflation here and a "little" more there is making for a good deal more than a "little" inflation all around.

The 44-cent wage boost granted steel workers by the War Labor Board this week is the latest case in point. They wanted a dollar but that was "too much" so the Board compromised on the 44-cent figure. None of the parties in the controversy seem very happy about the decision, and about all that any of them will concede is that it's not too bad. And anyway, the government will have to stand about 90% of it as it will come out of excess profits which would otherwise be taxed at about that rate. But the net effect with respect to the economy as a whole is that another twist has been added to the inflation spiral which is rapidly assuming ominous proportions.

Note of this situation is taken in the opening paragraph of the Whaley-Eaton Service's "Foreign Letter" of last week as follows:

"A most important development in the economic world is the growing menace of inflation. It is partly caused in Britain and the United States by the refusal of either country to adopt a definite wage policy."

And later on in the same letter, discussing various considerations with respect to post-war prospects, the observation is made that it is thought (in high official circles) that "national solvencies can be assured only by giving relative permanence to such inflation as has occurred."

If this idea is a valid one, its long-term implications are of great importance to investors. "Relative permanence to such inflation as has occurred" means that our peace-time economy will have to gear itself in all respects to a relatively permanent higher price level. In other words, to avoid the destructive repercussions of a post-war deflation we shall have to maintain the war-inflated price level which already is considerably higher than pre-war levels. This has been the contention of our more realistic economists for some time. They see the political dangers of a deliberate deflation on the one hand, and the political virtues of preserving the inflation on the other.

Another factor which now supports this contention is that the war inflation we are experiencing is world-wide. The purchasing power of money all over the world is being reduced. Thus from the standpoint of post-war competitive price considerations, etc., our position may be expected to be no worse than before even though our domestic price level may have risen substantially.

An important meaning of all this to investors, if true, is simply that fixed incomes will buy less after the war than before, whereas flexible incomes which can adjust to the changed status of the economy will maintain their relative purchasing power. So far common stocks, which are one of the important sources of "flexible income," have not responded to these prospects in the traditional manner. But taking the long view, which envisages a peace-time economy freed of war-time controls, it would seem that such a response must eventually occur. A large slice of corporate profits will have to go to the tax collector for some time to come, but with excess profit taxes scaled down to stimulate the profit incentive, well-managed and strongly situated companies will adjust themselves to the changed conditions as they have always done in the past and net earnings available for dividends will keep pace.—*W. F. Shelley in Massachusetts Distributors' Brevits of July 18th.*

Now R. N. Eddleman Co.

HOUSTON, TEX.—F. N. Eddleman & Company, First National Bank Building, has succeeded to the investment business of Eddleman & Abercrombie. Richard N. Eddleman, formerly a partner in Eddleman & Abercrombie and its predecessor, Gregory, Eddleman & Abercrombie, is proprietor of the new firm.

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Pledges Spread of War Work to Small Business

The newly constituted Smaller War Plants Corporation "cannot be the miraculous balm that will heal all the wounds resulting from the transition of industry from the pursuit of the arts of peace to those of war," Lou E. Holland, Chairman of the Corporation declared on July 17 following the first meeting of the directors.

While saying that "there are bound to be casualties," Mr. Holland expressed the hope that ways will be found to spread war work more extensively among small business.

The corporation was set up within the War Production Board by Congress with a capital of $150,000,000 to promote conversion of small plants to war work and assist them in obtaining Government contracts.

Chairman Holland's statement further said:

"It may well be pointed out right here at the beginning that the act which set up the Smaller War Plants Corporation uses the following languages: 'to mobilize aggressively the production capacity of all small business concerns, and to determine the means by which such concerns can be most efficiently and effectively utilized to augment war production.' If we are a first aid outfit we are primarily to aid war production, and intend to do that by using the productive capacity of small business concerns.

"Further, the act says we are to do certain things 'with a view to insuring that small business concerns will be most efficiently and effectively utilized in the production of articles, equipment, supplies and materials for war and essential civilian purposes.'

"These two paragraphs might be summarized by saying that we are to fit small business into the stringent war economy wherever we can, if it will aid in the general war effort. It is quite clear that we are, as Mr. Nelson has repeatedly stated, not a relief agency.

"But this is not to say that we are not wholly sympathetic to the problems and the plight of small business. We are; and we believe we shall find ways to spread war work more extensively into the field of small business. I know, from my own experience, that there are a lot of small firms around the country which are thoroughly capable of doing many jobs that need to be done.

"For a long time other units of the War Production Board, as well as the procurement agencies of the Army, Navy and Maritime Commission have been working along these lines and I think we have to find out what has been done to date before we can begin to build a program that will be genuinely helpful.

"That is our immediate task, and until that is accomplished, no spectacular announcements can be expected from the Smaller War Plants Corporation.

"As we all know, material shortages in many fields are now the chief concern of the War Production Board. In these fields, and as long as these conditions prevail, we shall probably find our usefulness chiefly in providing facilities which will permit a redistribution of existing contracts. A good many prime contractors are overloaded, and much of the simpler kinds of work they are doing can be done by smaller concerns. If contracts can be broken down and examined, and the simpler jobs placed elsewhere, utilizing existing buildings and machinery, this will aid war production without making any demand whatever on the supply of materials. Also it will aid small business."

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FIC Banks Place Debs.

The Federal Intermediate Credit Banks on July 17 made a successful placement of $34,775,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. The debentures were sold at par. Of the total, $14,875,000, dated Aug. 1, 1942, and due March 1, 1943, carries a coupon rate of 0.75% and $19,900,000, dated Aug. 1, 1942, and due June 1, 1943, bears a coupon rate of 0.85%. Of the proceeds of the sale $32,260,000 will be used to pay off a like amount of debentures due Aug. 1 next and $2,515,000 is for new money. At the close of business Aug. 1 next the banks will have outstanding $304,045,000 debentures, an all-time high.

Morrison Appointed

At a regular meeting of the Board of Directors of Federal Reserve Bank of Cleveland, held on July 16, Martin Morrison was appointed Assistant Cashier.

DIVIDEND NOTICES

Bayuk Cigars Inc.

A dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of this Corporation was declared payable September 15, 1942, to stockholders of record August 31, 1942.

Checks will be mailed.

John A. Snyder
TREASURER

Philadelphia, Pa.
July 17, 1942

MAKERS OF PHILLIES

THE BUCKEYE PIPE LINE COMPANY
26 Broadway

New York, July 23, 1942.

A dividend of One ($1.00) Dollar per share has been declared on the Capital Stock of this Company, payable September 15, 1942, to stockholders of record at the close of business August 21, 1942.

J. R. FAST, Secretary.

INTERNATIONAL HARVESTER COMPANY

Quarterly dividend No. 96 of one dollar and seventy-five cents ($1.75) per share on the preferred stock, payable September 1, 1942, has been declared to stockholders of record at the close of business August 5, 1942.

SANFORD B. WHITE, *Secretary.*

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on August 1, 1942, to stockholders of record on July 15, 1942. The transfer books will not close.

June 25, 1942

THOS. A. CLARK
TREASURER

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Beak, Miller, Others Join A. C. Allyn Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — Robert M. Beak, Sanford C. Miller, Malcolm J. Boss, Harry B. Hamilton, Frank B. Hesson, John A. Rodger, Jr., Charles W. Schlieckert, Bert X. Wahl, Orlin I. Wahl, and James A. Woodburn have become associated with A. C. Allyn and Company, Inc., 100 West Monroe Street.

All were formerly associated with Bond & Goodwin Incorporated of Illinois, Mr. Miller as City Sales Manager in Chicago and Mr. Beak as manager of the Wholesale Dept.

Gerner And Eppink To Be Bonbright Partners

ROCHESTER, N. Y.—Philip H. Gerner and Harold W. Eppink will be admitted to partnership in George D. B. Bonbright & Co., Powers Building, members of the New York Stock Exchange. Both have been associated with the firm for some time, Mr. Gerner recently as manager of the investment department. In the past Mr. Gerner was a partner in Vietor, Common & Co. of Buffalo and was an officer of Liberty Share Corporation and the Liberty Bank of Buffalo.

Jarvis With State Dept.

Frank G. Jarvis, formerly utilities trader for Peter P. McDermott & Co., has become connected with the State Department in Washington. Paul S. Morton will trade utilities as well as railroad issues in the future for the firm.

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Further Comments By Dealers Anent NASD

Judging from the numerous letters sent to us by dealers in recent weeks, anent the NASD and its minimum capital plan, there would appear to be considerable evidence of marked dissatisfaction within the entire industry as to the contribution made by the present organization in behalf of either the investing public or the dealers themselves. Indeed, it would appear that the primary objective of the organization is to devise new problems for the industry, the sum total of which merely add to the expense of doing business. Despite all of the rules and regulations prescribed by the NASD, it is perfectly obvious that the investing public, as in the past, must still rely on the time-honored maxim (Caveat Emptor, let the buyer beware), in order to be assured of the maximum possible protection.

Letters of recent date follow:

DEALER NO. 47

I should like to offer my two cents worth in re: All the discussions and opinions expressed in the "Chronicle pro and con on the question of NASD regulations.

I have always been opposed to the Maloney Act and have copies of letters of protest written to various Senators and Congressmen before the Bill became law. My objections were, and still are, on the ground that the Act created an overlapping Bureau that was entirely unnecessary.

There is a school of ethics of fair and honest dealing that every honorable business man knows he must live up to in order to succeed and stay in business and have a clear conscience, and it was never necessary to have some one in Washington or Philadelphia to remind him of it.

We have plenty of laws to deal with the crooks and rascals in every business, so why penalize the 99% of honorable men with burdensome expense and regulations? After all the SEC and NASD regulations the investor still has to beware and know whom he is dealing with.

I became a member of the NASD, I feel, under necessity, and in my opinion it is being run just like the Labor Union racket, to make jobs for a few "deserving" politicians, at the expense of compulsory membership.

I voted "NO" on all the propositions the same day I received the ballot. I have been reading all the letters published in the "Chronicle" with much interest. I should like now to suggest a remedy which I think would be very effective and that is: Instead of letting the NASD deny membership to any of our present members, that ALL of us who are opposed to the regulations withdraw our membership at once. I think there would be very few members left. As it is, the non-members are a very much bigger class. I happen to know that the most prominent and most reputable dealers in many cities have never applied for membership in the NASD.

I should like to know the reaction of other dealers to the above suggestion through your periodical, but for fear of reprisals, I would not want my name or the city mentioned but will sign myself.—(From An Old Pennsylvania Dealer)

DEALER NO. 48

We have heard a great deal recently about the "small business man." The government has been making a real effort to see that the small business man is not forced to the wall but the opposite seems to be the tendency in the securities business.

The NASD is trying to preclude the small business man from membership thereby cutting him off from syndicate participation. Now, according to July 21 newspapers, the SEC held a meeting yesterday with representatives of the financial industry to lay "the groundwork for a continuing study of war and post-war problems of mutual concern."

According to the newspapers account, the securities industry was represented by eight individuals, each of whom represented some organized exchange or large organization, such as the NASD. This means that there were more dealers unrepresented than there are members in the organizations headed by the individuals present.

The small individual dealer is an intelligent, resourceful and highly responsible merchant. He is not sitting around complaining about the volume; he looks for attractive securities and goes out and sells them at a fair profit.

It seems to me that this type of dealer should be represented in the meetings taking place in Philadelphia and it furthermore seems to me that the organized exchanges which are complaining so bitterly about business have a great deal to learn from the small individual dealers.—(B. S. Lichtenstein, New York City)

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Wylie Re-elected By Eastern Royalty Assn.

At the annual meeting of the Eastern Oil Royalty Dealers Association, Inc., Thomas G. Wylie was re-elected President and Frank H. Winter, Vice-President, with Herbert E. Teden assuming the office of Treasurer and William E. Doyle that of Secretary.

Louis Bernstein and John H. Valentine were elected Directors and John Sperry was retained as General Counsel.

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New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange announces the following weekly firm changes:

Transfer of the Exchange membership of James Russell Lowell to Charles H. Pinkerton will be considered by the Exchange on July 30. Mr. Pinkerton will continue as a partner in Baker, Watts & Co.

Albert N. Edwards and Benjamin F. Edwards, general partners in A. G. Edwards & Sons, St. Louis, Mo., became limited partners in the firm effective July 16.

Stackpole Member Of Bar

Philip W. Stackpole, associated with Starkweather & Co., 111 Broadway, New York City, has been admitted to the New York Bar and is now an attorney and counsellor at law.

With W. A. A. C.

Miss Donna Werback, formerly secretary and treasurer of Donovan, Gilbert & Co., Lansing, Michigan, has been appointed to the W. A. A. C. She has been assigned to Fort Des Moines, Iowa, for officers' training.

Warren Brothers Company

Through inadvertence, the July 16th Bond Selector stated that sufficient assents from common stockholders of Warren Brothers Company were being awaited to make the plan operative. It is understood that sufficient assents from holders of all securities have been received to put the plan into operation. Formal approval of the plan by the court is expected on July 28.

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Oil royalties offer an interesting and particularly timely investment, according to Tellier & Co., 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association, since oil is one of America's most bountiful natural resources and is needed now more than ever before in the country's history. In addition, according to Tellier & Company, returns from oil royalties are based upon gross production of oil, rather than on net profits as in the case of preferred and common stocks, carry a substantial income tax deduction privilege, and offer a hedge against inflation. Detailed information on oil royalties will be sent by Tellier & Company upon request.

Warner Issues Attractive

The current situation in First Mortgage 6s of 1944, the 7% cumulative first preferred stock and the common stock of the Warner Company offers most interesting possibilities according to a descriptive circular issued by Laird, Bissell & Meeds, du Pont Building, Wilmington, Delaware, members of the New York Stock Exchange. Copies of the circular may be had from the firm upon request.

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6s, 1944
1st Preferred
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Fuller, Cruttenden Plans To Dissolve

CHICAGO, ILL.—The partnership of the Chicago Stock Exchange house of Fuller, Cruttenden & Company, 209 South La Salle Street, organized here in 1930, will be dissolved soon, according to an announcement by the firm's partners who include William A. Fuller, Walter W. Cruttenden, Fred R. Tuerk and Kenneth S. Beall. Announcement of future plans of the partners and the personnel of the firm will be made shortly. In the past 10 years the firm has become one of the leading trading houses in the Middle West and has also been active in a wide range of underwritings.

Traction Securities Now A. A. Bennett Co.

CHICAGO, ILL.—Traction Securities, Inc., 105 South La Salle Street, announces that they have changed their firm name to A. A. Bennett & Co., effective July 15. The personnel and management remains the same as before. The change was made, the firm announces, since many of their customers have felt that the only securities Tractions Securities dealt in were Chicago Surface Lines and Elevateds, while actually the firm conducts a general investment business in both listed and unlisted stocks and bonds.

Security Analysts Forum

Ralph E. Sterling, of Lehman Brothers, New York City, will be in charge of the July 29 luncheon forum of the Utility Group of the New York Society of Security Analysts. Charles Thatham, Jr. of Institution Utility Service, Inc. has accepted the chairmanship of the Utility Group.

WARNER COMPANY
6% bonds due 1944; Preferred & Common

LA FRANCE INDUSTRIES
4% bonds due 1956; Preferred & Common

Bought — Sold — Quoted
Analyses furnished on request

LILLEY & CO.
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THE BOND SELECTOR

WARNER COMPANY

Plan of Extension of First Mortgage Bonds

Warner Company and its wholly-owned subsidiary, American Lime & Stone Co., are producers, transporters and wholesalers of sand and gravel in the Delaware River tidal region; producers of high-calcium and magnesium lime products for construction, agricultural and chemical uses; retail distributors in Morrisville (Trenton), Philadelphia and Wilmington of its manufactured products as well as other miscellaneous building materials, such as cement and plaster; and operators of central-mix concrete plants and of truck-mixing equipment for the delivery of this product. Large natural deposits of sand, gravel, magnesium (dolomite) stone and limestone are owned.

The company was organized in 1929 to acquire the assets of the former Charles Warner Company and The Van Sciver Corporation. An extreme depression in the construction industry followed within two years, and for a period the company maintained operations with serious losses which resulted in its inability for a period of three years to carry on its regular interest and sinking fund payments.

On May 4, 1933, a Plan of Readjustment of Debt and Capitalization was promulgated by the company, which Plan became effective on Dec. 30, 1933, and was thereafter promptly consummated. Under this Plan, as to assenting bonds, the payment of the coupons due in the years 1933, 1934 and 1935, amounting in the aggregate to 18% of the principal amount of the bonds, was deferred, unless earned in the course of each of said years, until the maturity of the bonds on April 1, 1944. The sinking fund requirements theretofore existing under the original indenture were waived by the assenting bondholders, and the company agreed to apply 33⅓% of its net earnings available for dividends in each year as an annual sinking fund payment on account of the bonds. The holders of a substantial majority of the bonds then outstanding assented to the Plan, and their bonds were in due course stamped accordingly.

At the present time all but less than $175,000 in principal amount of the bonds have assented to the Plan. Insofar as such non-assenting bonds are concerned, Warner Company is in default with respect to the payment of the six coupons due in 1933, 1934 and 1935, and is in default with respect to the sinking fund payments as required by the original indenture. On April 1, 1936, the company resumed fixed interest payments on all bonds outstanding, whether assented or not, and all coupons due since then have been paid when due.

On May 25, 1942, Warner Company submitted to bondholders a plan for extension of its first mortgage bonds from April 1, 1944, to April 1, 1951, with a continuation of the present 6% annual interest rate. At that time, it was stated by the company that if the Plan was approved by holders of 90% of the bonds, they would be paid $90 in cash for each $1,000 bond on account of deferred interest and the balance of such deferred interest, amounting to another $90, would be paid on the basis of 20% of annual net earnings available for dividends, beginning in 1943. On July 14, the President of the company stated that over half of the bonds necessary to make the Plan effective had been deposited. It should be noted that deposits must be made by Aug. 15, 1942, unless the company extends the period.

Total back interest (18%) amounts to approximately $810,000, and as soon as the extension plan becomes effective, the company will make available about $400,000 for immediate payment of $90 per bond. Earnings available for interest in 1941 amounted to $2,042,000, or approximately two and one-half times the amount necessary to pay all the back interest. Salient portions of the income account during the past three years follow:

	1941	1940	1939
Net sales	$9,676,570	$5,641,154	$4,946,318
Inc. avail. for interest	2,042,531	646,795	471,571
Net earnings avail. for dividends	1,130,311	292,051	103,928

Debt originally consisted of $7,000,000 first mortgage bonds. Approximately $2,500,000 have been retired through operation of the sinking fund previously referred to. Capitalization of the company now consists of:

First Mortgage 6s, due April 1, 1944	$4,501,000
Other long term debt	466,000
7% cum. first pfd. $50 par	25,841 shs.
7% cum. second pfd. $25 par	53,500 shs.
Common stock $1 par	177,192 shs.

Net working capital at the end of 1941 totaled $1,834,000. Current assets amounted to $3,260,000 and included $1,211,000 of cash. Current liabilities were $1,425,000, and included $353,000 instalments on long term debt due in 1942.

It should be stressed that no dividends can or will be paid on any class of the company's stock unless and until all unpaid deferred interest on outstanding bonds has been paid.

Warner Company
1st Mortgage 6s of 1944
7% Cumulative 1st Preferred
Common Stock

Descriptive Circular on Request

LAIRD, BISSELL & MEEDS
Members New York Stock Exchange

120 BROADWAY
New York, N. Y.
Phone—BArclay 7-3500

DU PONT BUILDING
Wilmington, Del.
Phone 3-4241

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS.—**Wendell L. Jaquith** has joined the staff of **Paine, Webber, Jackson & Curtis**, 24 Federal St.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Arthur I. Rottenberg** has become affiliated with **Brailsford & Co.**, 208 South La Salle St. Mr. Rottenberg was previously with Webber, Darch & Co. and Straus Securities Co.

CHICAGO, ILL. — **George L. Emrich, Jr.**, is now associated with **Brown Brothers Harriman & Co.**, 135 South La Salle St. in the investment advisory department. Mr. Emrich has conducted his own investment counsel firm since 1931.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Louis M. Roberts** has become connected with **R. S. Dickson & Co., Inc.**, 135 South La Salle St. Mr. Roberts was formerly with Bond & Goodwin, Inc., of Illinois and G. L. Ohrstrom & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Ralph M. Sommers**, previously with Hornblower & Weeks, has joined the staff of **Farwell, Chapman & Co.**, 208 South La Salle St.

CHICAGO, ILL. — **John P. Grimes** is now associated with **Goldman, Sachs & Co.**, 208 South La Salle St. He was formerly with Glore, Forgan & Co. and Fred W. Fairman & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Hume C. Young** has rejoined the staff of **Thompson Ross Securities Co.**, 39 South La Salle St. Mr. Young was recently with Webber, Darch & Co.

MUNICIPAL
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PUBLIC UTILITY
AND INDUSTRIAL
SECURITIES

THOMPSON ROSS SECURITIES CO.
Incorporated
CHICAGO

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **George A. Taylor** is now with **J. E. Neubauer & Co.**, Guardian Building.

(Special to The Financial Chronicle)

DAYTONA BEACH, FLA. — **Arthur Charles Ericksen** has become connected with **T. Nelson O'Rourke**, 356 South Beach St.

(Special to The Financial Chronicle)

HARTFORD, CONN. — **Charles E. Bayliss, Jr.**, has become associated with **Putnam & Co.**, 6 Central Row.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **David Mannick** is now affiliated with **Conrad, Bruce & Co.**, 530 West Sixth St. Mr. Mannick was previously with Merrill Lynch, Pierce, Fenner & Beane and prior thereto with Schwabacher & Co., Morrison Bond Co., Ltd., and Fewel, Marache & Co.

(Special to The Financial Chronicle)

PASADENA, CALIF. — **Harry V. Anderson**, for many years with the local office of E. H. Rollins & Sons, Inc., has become associated with **Bateman, Eichler & Co.**, 42 North Garfield Avenue.

In The Armed Forces

Richard A. Lewis, manager of the Philadelphia office of Burton, Cluett & Dana, has received his commission as Lieutenant in the United States Naval Reserve and has left to assume his new duties. W. J. Sewell Boris has taken over the management of the Philadelphia office for the duration.

Robert S. Adler, President of Selected Investment Co., 135 South La Salle Street, Chicago is on leave of absence and is serving in the armed forces.

Charles F. Kimble of Florida Securities Co., St. Petersburg, Fla., has joined the U. S. Army as a glider pilot and is now stationed at tne air base at Orlando, Fla.

John R. Nunnery, formerly in the securities business in Meridian, Mississippi, is now serving in the U. S. Army.

Myron F. Schlater, President of Schlater, Gardner & Co., Inc., New York City, is now a lieutenant in the U. S. Naval Reserve, attached to the Ordnance Department, Navy Building, Washington, D. C.

Charles S. Cheston and Ogden Phipps of Smith, Barney & Co., 14 Wall Street, New York City, are on war duty.

Charles J. McBride, formerly proprietor of McBride & Co., Stock Exchange Building, Philadelphia, Pa., is now on active duty with the U. S. Navy.

Will Miller, manager of the bond department of the Dallas National Bank, Dallas, Texas, is entering the U. S. Army on July 31.

E. Jedd Roe, proprietor of E. J. Roe & Company, Frost National Bank Building, San Antonio, Texas, is on leave of absence from his firm on war duty. The business is being continued under the management of Donald D. James.

Alfred M. Seaber, manager of the Florida division of the Ranson-Davidson Company, Inc., has been commissioned a Lieutenant (jg) in the United States Naval Reserve. He reported for duty July 15, for training at the United States Naval Station at Hanover, N. H.

Tomorrow's Markets Walter Whyte Says——

Current dullness postpones last week's down indications. Market now looks higher before any immediate decline. Leaders and specialties in "move" position.

By WALTER WHYTE

Last week I spoke about reaction and though I indicated it was not right around the corner I did advise that new purchases at this stage of the market cycle were not recommended. That was last week. But the market picture changes so rapidly that what was good for last week becomes outmoded for this.

* * *

As this is being written the market is drowzily nodding its head occasionally looking up to peer at either taxes or the war news, then giving a gentle sigh goes back to sleep again. The public, which last week gave plenty of indications of jumping in, is still aloof, or is too hot to bother. The Dow industrial averages are now down to about 108 and acting as if that is about as low as they intend to go on the current move.

* * *

Now a rally such as we have seen in the past few weeks calls for one of two things—a sharp reaction then dullness on which it fattens itself for the next stage of advance or an immediate dullness with no further reaction. If the public comes in, in any quantity, the reaction becomes almost inevitable. If it doesn't then the latter—immediate dullness — takes place. This is what is now taking place. You can see it by just going into any broker's customers' room. You don't even have to ask anybody or look up at the board to find out for yourself. Its apparent by the lethargic attitude of the customers' men, customers and partners.

* * *

The big talk now is about inflation, when it will come and how. But most people know little about inflation except that it is a popular subject for conversational speculation. But while I know as little as the average man about the subject I'll venture to say that before long the newspapers will be full of anti-inflation jabs from the Administration forces. But that is still some weeks away.

* * *

Meanwhile the market seems to be saying that until really bad news comes along it will either do nothing or go up. Cf the two I think the latter will take place in the immediate future.

* * *

How far the market may advance is of course anybody's guess (including mine). But I do know that precedence calls for a lift from present levels (108 approximately) to about 112 or thereabouts before serious difficulties are encountered. This does not mean that last week's figures on stocks recommended here are to be forgotten. On the contrary. As the market advances the stocks you hold will advance too. And as they reach the prices at which profits were advised, they should be taken. Meanwhile, of course, stop levels should not be ignored. There are still too many difficulties in the path of an orthodox market not to have some insurance against accidents.

* * *

If you are wondering why I am changing my advice from last week, I'll tell you. Last week the market gave lots of down signals, or rather top signals. This week with its dullness these are cancelled, or rather postponed. With that being the case it would

(Continued on page 277)

Empire Trust To Advise Equity Corp. On Portfolio

Special meetings of stockholders of the Equity Corporation and its investment company subsidiaries, American General Corp., First York Corp., General Investment Corp. and Utility Equities Corp., are being called for Aug. 11 to approve contracts with the Empire Trust Co., providing that the trust company will render investment advisory services to these corporations.

Letters currently being forwarded to stockholders state that a plan has been worked out with Empire Trust Co. under which it is proposed that the trust company will take over the investment department presently maintained by the various corporations of the group and merge it with its own and will furnish the managements of the respective corporations with recommendations regarding purchase, sale and retention of securities. These managements feel that the combined investment department should provide a satisfactory source of information and recommendations and, in addition. will insure that proper investment service of this type will continue to be available to it during the war period.

Belden To Admit

Belden & Co., 61 Broadway, New York City, members of the New York Stock Exchange, will admit Alice S. Belden to limited partnership in the firm as of today.

Income From Rails In War

Income from rails during the war period is the subject of an interesting circular distributed by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of this circular will be sent by the firm upon request.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—40⅜; low—14¾; July 22 price—35½.

Income from Rails during War Period

Circular on request

PFLUGFELDER, BAMPTON & RUST
Members New York Stock Exchange
61 Broadway New York
Telephone—DIgby 4-4933 *Bell Teletype*—NY 1-310
RAILROAD REORGANIZATION SECURITIES

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RAILROAD SECURITIES

After many years of waiting, proposals for the allocation of new securities in the Seaboard Air Line reorganization were filed with the Federal Court early in July. Plans were filed by committees representing holders of the underlying mortgages, the receiver's obligations, and Consolidated Mortgage 6s. While all plans agreed as to the new capitalization and the treatment of a few of the best secured of the outstanding bonds, there was a wide divergence of opinion as to how the other bonds should fare. As this receivership is in equity, all testimony and evidence will be taken into consideration by Special Master Tazwell Taylor in drawing up his plan to be presented to the Federal Court in the latter part of 1942. As a matter of fact, further delays will probably rebound to the eventual benefit of all concerned. Earnings are high and cash is accumulating rapidly so it should be possible to reduce the outstanding amount of receiver's certificates substantially if no reorganization plan is agreed upon. (The sinking fund on July 15, 1942, took in $2,992,000 3½s, 1945). This in turn should allow a somewhat more liberal allocation of the proposed new First Mortgage bonds to other of the old securities.

The plans were in agreement with respect to the treatment of receiver's equipment trust certificates which are to be left undisturbed and with respect to receiver's certificates which are allocated 50% of principal in new Series "A" First Mortgage 3½s, 1963, and 50% in Series "B" First Mortgage bonds due in 1983 carrying 3% fixed interest and 1% contingent interest. The plans also agree in the treatment of the Raleigh & Augusta First 5s, 1931, Raleigh & Gaston First 5s, 1947, and Tampa Northern First 5s, 1936. The first two named would receive $1,150 in new First Series "A" 3½s, 1963, and the Tampa Northerns $1,065 in Series "B" First 3-4s.

With respect to treatment of all other obligations, however, the plan of the underlying bondholders' committee was miles away from that of the committee for the First & Consolidated 6s. The former group based its allocations on a complicated combination of the severance, terminal cost segregation, and contributive studies prepared for the court by the Special Master's Expert Committee. What the treatment proposed by the First & Consolidated Mortgage Committee (called the "Kennedy Formula") was based on is not known. The attached tabulation shows the treatment proposed by the two committees for the various liens.

The agreed-on capitalization would be held to $204,835,000 representing more than a 50% cut in indicated total capitalization, including unpaid interest, of the old company as of the effective date of the plan, Jan. 1, 1943. The capitalization would consist of $104,835,000 of debt and $100,000,000 of stock, assuming a stated value of $100 a share for the 850,000 shares of no-par common. There would be $15,000,000 of 5% preferred stock. Fixed charges would be held to $2,007,600 compared with current charges of $9,411,000, and total fixed and contingent charges, including a 3% additions and betterment fund, half of which would be obligatory and half discretionary with the directors, would amount to roundly $6,360,000 with revenues at $50,000,000 a year. Lower revenues would naturally cut the additions and betterment fund deductions.

The reorganizations is a thoroughly realistic one when judged from past performances, and appears unduly drastic when viewed in conjunction with the fundamental improvement in the company's traffic position, and the property rehabilitation work that has increased operating efficiency materially. Despite extraordinary maintenance work in most years, the company would have covered the full fixed charges contemplated in seven of the 10 years

(Continued on page 273)

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Underlying Mortgage Bonds

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Florida Cent. & Pen. R.R. Cons 5s, 1943
Georgia & Alabama Ry. Cons 5s, 1945
Georgia, Car. & Nor. Ry. 1st 6s, 1934
Georgia, Fla. & Ala. R.R. 1st 6s, 1952
Raleigh & Aug. A. L. R.R. 1st 5s, 1931
Raleigh & Gaston R.R. 1st 5s, 1947
Seaboard & Roanoke R.R. 1st 5s, 1931
Southbound R.R. 1st 5s, 1941
S. A. L. Ry. Atlanta-Birm. 1st 4s, 1933
Tampa Northern R.R. 1st 5s, 1936

Information upon request

VAN TUYL & ABBE
72 WALL STREET
NEW YORK

LEHIGH VALLEY RAILROAD
CONSOLIDATED MORTGAGE
4's; 4½'s; 5's; due 2003
VS.
BALTIMORE & OHIO R. R.
REFUNDING MORTGAGE
5's; due 1995

We have prepared an interesting statistical comparison

PENINGTON, COLKET & WISNER
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123 So. Broad St., Phila.
N. Y. Phone HAnover 2-0310
Teletype PH 180

We have prepared a brief memorandum on the
SEABOARD REORGANIZATION PROCEEDINGS
and the proposed treatment of the
ALL-FLORIDA 6s/35
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Bank and Insurance Stocks

This Week—Insurance Stocks

One of the most poignant stories in insurance stocks of stockholders' hopes and management's efforts in the face of an adverse situation now appears to be entering its final chapter. On July 13, the pledgee Royal Bank of Canada advertised that it will sell at auction July 29 the entire block of 493,400 shares of Home Insurance Co. stock and 800 shares National Liberty Insurance Co., pledged by the borrower, Home Fire Security Corp., for a loan from this Canadian bank (Chase National Bank has a 50% participation) originally dated April 15, 1930, for $19,051,475, and still totaling $16,257,933 as of March 31, 1942.

To the very last, it was hoped that a plan might be worked out whereby the stockholders would be given an opportunity to take up the pledged Home Insurance Co. stock at somewhat below market price. This, however, depended on appreciation in Home Insurance Co. stock to about the "break even" point, and with conditions against such improvement and the corporation's uncertain position on current taxes, the banks have decided to exercise their legal right to foreclose at any time on the matured note, which was not extended again at the last maturity date of March 16, 1942.

Other than these pledged stocks, the corporation has very little else, March 31, 1942, revealing cash of $783, collateral loans of $56,573 and other assets of $4,438. Against this, however, liability reserves totaled $31,404, of which $21,404 was reserve for taxes. Federal income and New York State franchise taxes apply to 15% of the dividends received on the pledged stocks, even though the dividends are also pledged with the loan and are not available to the corporation for payment of taxes. A balance of $16,472 remains unpaid (as of April 9, 1942) on these taxes, due and payable in 1941, and there is also a disputed claim on an additional item of $916 for Federal income tax for the 1940 tax year. The only income available to the corporation for the coverage of these taxes does not exceed $500 a month from interest on miscellaneous old small loans. In view of the financial predicament of the corporation, the Federal and State tax authorities have been content to divide this income, although drastic action has been available to them.

Accordingly, little hope appears to remain for the corporation's stockholders. It is expected that the banks will bid in the collateral at the auction sale, and that possibly a secondary distribution deal will be arranged by the banks when conditions are favorable.

Those who stand to lose most by demise of the corporation would be the original Home Insurance Co. stockholders who took up their rights to subscribe originally to the corporation stock on a share for share basis at $15 (par value $10) in 1929. Later in 1928, when the corporation acquired substantial blocks in the National Liberty group of insurance companies, it made available to Home Insurance Co. stockholders the purchase of these insurance stocks at the same prices that the corporation paid. In the fall of 1929, rights at $20 were issued on a share for share basis, and subsequently, capital outstanding reached $4,932,000 ($10 par).

In addition, however, many new stockholders had been drawn into this situation by the speculative appeal stressed by various dealers in recent years, of the leverage on the corporation's equity provided by the bank loan as Home Insurance stock appreciated over the "break-even" point. In 1935, the corporation stock reached a high of 7¼ from low of ¼; in 1936, it ranged between high of 8 and low of 4½; and in 1937, again hit a high of 7¼. When the corporation's stock subsequently declined to lower levels, these peaks were cited in illustration of the speculative possibilities.

Of course, such possibilities depended on the banks' continuing to extend the loan or at least not exercising their right of foreclosure. The loan originated in the deal in 1930 whereby the corporation purchased the large holdings of the Goldman Sachs Trading Corporation in the National Liberty group of companies, and pledged these stocks as collateral for the loan needed for the deal. In the subsequent market decline in insurance stock prices, the loan went "under water," and the banks had the legal right to foreclose on the collateral. They did not do so, however, and in April of 1935, the banks agreed to the substitution of a block of 500,000 shares of Home Insurance stock for the various holdings of the corporation in Home Group companies. The banks also agreed to waive all accrued and unpaid interest, amounting to over $1,800,000, and to accept future dividends on the Home Insurance stock in lieu of interest payment on the new loan, which was extended for three years. In May, 1938, the banks again extended the loan to May 15, 1939, the effective interest rate on the loan being reduced from 4.48% to 3%, and the excess over the 3% being applied to amortization of principal. Since that time, the loan was reduced $2,242,067, to the figure of $16,257,933 as of March 31, 1942. Most of this reduction was due to excess income above the 3% interest rate, although sale of most of the remaining securities other than Home stock provided some additional retirement.

Throughout these series of extensions and negotiations, the management of the Home Insurance Co., serving without salary for the corporation, had aggressively sought liberal treatment, which was granted by the banks inasmuch as the loan had been marked down and reserves set up. In the past year, however, the attitude of the banks hardened, and all the efforts of the management to salvage something for the stockholders out of this 1928 idea now appear frustrated.

The corporation was originally formed as a holding company for the Home Group to facilitate acquisitions of additional insurance companies, although the certificate of incorporation was broad enough to cover general investing operations. It did acquire the Georgia Home, the blocks of National Liberty, Baltimore American and Peoples National, and Southern Fire, but ran into trouble on the Goldman Sachs deal and was hamstrung from that time. At one time early in 1930, it was rumored that the corporation might make offers to the various Home Group stockholders for their shares, with the object of bringing the Home Group affiliates into close control by the corporation, and that the corporation's stock might then be listed, but nothing definite developed.

At various times in 1936 and 1937, Home Insurance stock was above the "break-even" point by a good margin (by smaller margins at subsequent periods), and there were good prospects of the corporation being able to arrange a secondary distribution deal that would leave a small balance of Home Insurance stock after payment of the bank loan. In fact, an apparently premature newspaper story of such a deal checked at one time an advance in Home Insurance stock. The decline in the security markets thereafter, however, eliminated such optimistic expectations.

Our Reporter's Report

(Continued from First Page)

sources, but in such cases the call is for relatively short and intermediate maturities.

For a time such buyers were disposed to avoid that section of the market, but then, in lieu of opportunities in other directions, there was a tendency to seek out selected mortgages running for about five years.

More recently the dearth of new material in the corporate field has occasioned a tendency to look a bit further ahead, with the result rail maturitiies of high quality running to ten years are being scanned.

Help For Utilities

It now appears that out of the series of conferences between the Securities and Exchange Commission and financial leaders, launched this week, there may develop plans for aiding utility companies with their simplification tasks.

Reports indicate that the Commission will seek to adjust things so that it will be possible for investment bankers to render assistance to the companies in working out financial situations.

This could be done, it is believed, by relaxation of certain existing restrictions which now prohibit investment bankers from approaching utility firms.

Such a development might be expected to not only speed up integrations under the law, but at the same time to develop something in the way of new business for banking firms.

Revenue Bonds Recover

Now that the first shock of the effect of curtailed gasoline supplies has worn off, and incidentally been reflected in statistics, so-called revenue bonds have been showing a tendency to recover from their recent low levels.

In the case of many of these facilities, which are sustained by toll-charges, such as the Tri-Borough Bridge Authority, usage has dropped an average of 25%.

Back of the better tone in such obligations is the belated recognition of the fact that despite the falling off of revenues due to curtailed travel, there is still a fairly satisfactory indicated margin of safety for interest requirements.

Celanese Debenture 3½s

It looks as though the syndicate which marketed Celanese Corporation's $35,000,000 of 3½% debentures have pretty well cleaned up that situation.

Selling group members are in receipt of the following telegram sent out yesterday. "All Celanese Corp. debenture 3½s reserved for selling group have been sold — Additional orders strictly subject to confirmation by Dillon, Read & Co."

It was signed by Dillon, Read & Co., and Glore, Forgan & Co., as joint syndicate managers.

Utilities Attractive

G. A. Saxton & Co., Inc., 70 Pine Street, New York City, has just issued an interesting memorandum on the current situation in the $7 and $6 cumulative preferred stock of the Arkansas Power & Light Co., which are attractive at current levels according to the study.

Copies of this memorandum and also a discussion of the situation in Associated Gas and Electric System with particular emphasis on the earnings outlook may be had from G. A. Saxton & Co. upon request.

Also available are copies of the July issue of G. A. Saxton & Co.'s "Preferred Stock Guide," containing current quotations on unlisted public utility preferred and common stocks, and an analysis of Empire District Electric Company 6% cumulative preferred stock.

SEC, Security Dealers Study Joint Problems

(Continued from First Page)

"Mr. Purcell disclosed that in deciding upon the third point, reporting, the group expressed a desire for cooperation from the various State commissions and other agencies dealing with matters affecting the securities business. Letters will go out at once, he said, inviting their participation in the study groups and in the larger meetings to come.

"The SEC chairman did not go into detail regarding corporate accounting, the fourth point. As to the fifth, trading practices, he said the group had in mind a continuation of the type of cooperation in existence between the commission and the National Association of Securities Dealers, Inc.

"Expressing pleasure at the presence of representatives of three of the smaller exchanges—Pittsburgh, Philadelphia and Detroit—Mr. Purcell declared that the sixth point arose from 'a lot of talk reflecting insufficient understanding between the exchanges.' He added that 'we want to make those affected feel that it is one whole industry, no matter what the tag is you are wearing—broker, banker, over-the-counter dealer, or what.'

"The final point was drawn up to allow study of the possibility of investment bankers and others arranging for exchange of properties among holding companies ordered to integrate."

Among those attending the initial conference were Emil Schram, President of the New York Stock Exchange; James F. Burns, Jr., President, Association of Stock Exchange Firms; John S. Fleek, President, Investment Bankers Association of America; Wallace H. Fulton, Executive Director, National Association of Securities Dealers, Inc.; Edgar Scott, President, Philadelphia Stock Exchange; Fred C. Moffatt, President pro tem, New York Curb Exchange; Andrew C. Reid, President, Detroit Stock Exchange, and Marshall R. Barbour, President, Pittsburgh Stock Exchange.

Plans for the meeting were noted in these columns July 16, page 184.

Savs. Loan Dividends Total $58 Million

Four and a half million American families received approximately $58,000,000 in dividends declared June 30 on their investments in some 3,800 savings and loan associations and similar institutions of the Federal Home Loan Bank System, it was announced on July 11.

The figure represents estimated earnings for the first half of 1942 on nearly $3,700,000,000 in long-term savings.

"We hope that these investors will put the entire $58,000,000 in War Savings Bonds and Stamps," said James Twohy, Governor of the Bank System. "Their institutions, as issuing agents of the U. S. Treasury, will gladly arrange such purchases for them.

"This money, like wages and salaries, represents current income. And it is current income, rather than accumulated past savings, that the Treasury is trying to divert into War Bonds."

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LONDON OFFICES:
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8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1
TOTAL ASSETS
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Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand
BANK OF
NEW SOUTH WALES
(ESTABLISHED 1817)
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Reserve Fund 6,150,000
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Aggregate Assets 30th Sept., 1941 .... £150,939,354
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NY Savings Deposits Advanced In June

The Savings Banks Association of the State of New York announced on July 17 that for the first time since Pearl Harbor, savings banks in New York State report a substantial monthly gain in total deposits.

Statistics for June show a net gain in savings banks deposits of $12,884,000, as well as a net increase in savings accounts. New accounts opened in June were 60,022, as compared with 53,106 in the same month last year. The net gain in deposits is opposed to a loss of $18,878,000 in the month of June, 1941.

The gain in deposits may be added to War Bond sales of $18,069,000 by savings banks during the month, indicating a net of new savings of $30,953,000 for the month. This compares with $293,000 gain in deposits during May and $19,550,000 War Bond sales, or a gain of less than $20,000,000 in net new savings.

The Association's announcement further explained:

"In the first four months of 1942, withdrawals exceeded deposits, although in gradually diminishing amounts, while monthly War Bond sales, after the flurry caused by Pearl Harbor, have remained fairly constant around the $20,000,000 per month figure.

"The withdrawals earlier in the year were largely attributable to three factors—hoarding, advance purchases, and transfers to War Bonds. One factor which has served to overcome the situation has been the savings banks promotion of thrift campaign which from February to June hit directly at dangers of continuing these activities.

"For the first six months of 1942, withdrawals approximated $166,923,000, and War Bond sales amounted to $175,727,000. On June 30 total savings bank deposits for New York State amounted to $5,421,939,759 and the number of accounts stood at 5,965,503."

The Securities Salesman's Corner

SOME USES FOR A RED PENCIL

Have you ever worked on a sales letter until you thought it was just about perfect only to drop it in the mail box and that was the end of it? This has happened to almost everyone who has ever tried to interest a customer in an offering through the mails.

Here is about what happens to your letter. Mr. Prospect sits himself at his desk. In front of him is a neat stack of mail. Somewhere down in the middle of the pile unobstrusively lies your "masterpiece." Hurriedly he glances over the most "likely" looking letters first—these are the ones that tell him from their envelopes that they contain either checks or orders. (We all do this —it becomes a habit after awhile.) Next he opens the personal mail or what appears to be official or governmental releases. (By this time his hand is shaking as he sees an envelope postmarked Washington — a smile of relief comes over his face when he finds out it's only a new set of rules instead of a summons to come before another commission.) Then last of all come the letters and folders, catalogues, etc., that look like they are from someone who wishes to sell him something. That's where you and your carefully prepared letter come in and if you go right into the wastebasket, don't blame the fellow to whom you sent it—he just didn't have the strength to read anymore.

This is where a red pencil with a well sharpened point comes in handy. At the top of your typewritten or printed message, in your most legible longhand, take your red pencil and write something like this: "Dear Jones, this is something I like very much, please take time out to read carefully, Yours Cordially, Bill Smith." Or with your red pencil write a short message on the envelope. The best place for this is in the upper left hand corner where the return address is located. Here, for instance, you could write, "Something special from Bill Smith." There are as many variations of this method of gaining attention as your own versatility and the length of your pencil will allow.

Another time a red pencil is useful is when it is used for underscoring important highlights in offering circulars, or special enclosures. A bright red line underneath typewritten or printed matter will stand out very sharply. A red arrow pointing to a particular figure or item you wish to emphasize can also be used to advantage.

Sometimes it is necessary to read involved printed matter, where both the subject itself and the type face used, make it difficult to acquire a clear understanding of what the author has written. For use in reading through reorganization proceedings, legal data, governmental releases, prospectuses, etc., a red pencil again comes in handy. By reading slowly and underscoring the important points, a much clearer understanding is achieved and the material can be picked up at a later date and all of the highlights can easily be determined, just by looking at the underscores. All in all, a red pencil is a good companion to carry along in your gadget box of sales equipment. The kind we prefer can be purchased in any stationery store. It is made of wood and looks like a lead pencil with a metal cap, instead of a rubber tip, and it can be sharpened to a fine point in any pencil sharpener.

American Rubber Production Progressing

Encouraging progress in reestablishing commercial rubber production in the Western Hemisphere was reported by Dr. E. W. Brandes of the Bureau of Plant Industry, U. S. Department of Agriculture, in an address prepared for the Second Inter-American Conference of Agriculture, held in Mexico City, July 6-16. Dr. Brandes is in charge of rubber plant research for the Department.

Begun nearly two years ago, the rubber planting program is sponsored jointly by 12 tropical American countries and the United States. It is a long time undertaking and will require at least 4 to 5 years to produce significant quantities of rubber. Three research centers are now at work on breeding for high yields and resistance to the leaf blight disease. Each cooperating country has one or more nurseries for propagation of seedlings and increase of budwood.

Approximately 25,000,000 seeds of the hevea rubber tree have been planted in these nurseries, and large numbers of the young trees have been budded with wood from strains selected for their high yield and resistance to disease.

Demonstration plantations that serve as a connecting link between the research activities and the small grower were suggested by Dr. Brandes as being the next logical step in the program. He told of one plantation of 2,000 acres, formerly in bananas, that is to be used as a demonstration planting near one of the research centers. In another country two such plantations will be ready next year. A third country has plans for five sub-stations, each of which will include 2,000 acre demonstration plantings.

June Living Costs Up In Industrial Cities

Living costs for wage earners and lower-salaried clerical workers rose from May to June in 50 out of the 67 industrial cities surveyed each month by The Conference Board. In two cities the cost of living remained unchanged, while in fifteen it declined from 0.1 to 0.9%. In the United States as a whole, the level of living costs remained the same, although each of the principal components that go to make up the budget either advanced or fell.

The cost of living was higher this June than in June, 1941, in all the cities for which comparable figures are available. It rose above the level of a year ago from 7.3% in Kansas City, the smallest increase shown, to 16.2% in Oakland, the largest. In the United States as a whole the cost of living increased 9.9% during the twelve month period.

Balloting Results On NASD Minimum Capital Amendment Far From Conclusive

(Continued from First Page)

and privilege to engage in private enterprise shall be governed solely by the size of the individual's pocketbook. For this reason alone, can it be concluded that the outcome of the balloting adequately reflects the "majority" opinion on the questions involved or possibly even the unqualified endorsement by the majority. For it is well to remember that of 2,600 firms eligible to pass judgments on various proposals of immediate and direct concern to the securities industry, only 1,900 decided to participate, despite the fact, or was it because, the ONLY requirement was that a SIGNED ballot was necessary.

This fact, we repeat, is of the utmost significance and lends credence to the belief that the necessity of a signed ballot precluded the possibility of a free and dispassionate consideration of the issues involved. And this would seem to apply with equal force to some of the 1,200 affirmative votes which constituted the majority in favor of the various amendments. Moreover, the 700 firms which did go on record in opposition, together with the 700 which refrained from voting, would appear to represent, in combination, actual and, to some extent, tacit disapproval of the proposed changes in the Association's rules and regulations and possibly of the organization itself.

Furthermore, the entire situation constitutes a sad commentary on the low state of the morale of those in the securities field. For it would appear to be perfectly plain that, justified or not, most of those in the business have been obliged to surrender the right of LEGITIMATE protest because of the fear of possible reprisals. In support of this view, it is only necessary to refer to the many letters published in these columns in recent weeks regarding Article 1, Section 1, et al. In virtually every instance the dealers opposed the proposals and, of greater importance, the writer requested that his identity be not revealed because of the belief that to do so would subject him to possible reprisals.

Finally, let us observe that we are still of the firm conviction that the proposal for minimum capital requirements (Article 1, Section 1), is entirely un-American in principle and under no circumstances will serve the best interests of the securities business nor the cause of capitalism and our system of free enterprise. It will not add one degree of additional protection to the investing public and may well prove to be the springboard for the imposition of requirements of an even more dangerous and harmful nature not alone in the securities business but also in other lines of private endeavor. It should be subjected to the closest consideration by the Securities and Exchange Commission and if that august body does not see fit to take any action in the matter, the proposal should then be made the subject of a Congressional investigation.

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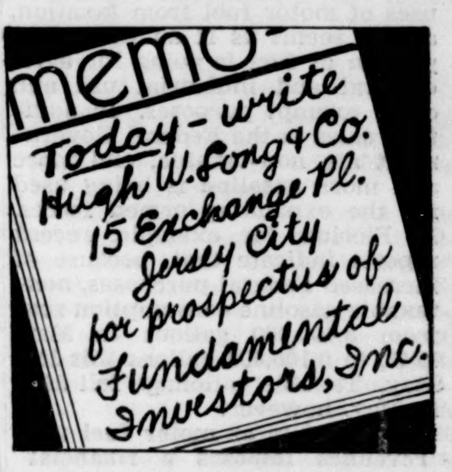
Investment Trusts

"Definitely Heartening"

"The action of the stock market since the April lows has been definitely heartening."

With these words the July 15 issue of Hugh W. Long & Company's *New York Letter* sums up the general feeling not only of the investment companies and their sponsors, but also of the entire financial community.



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"This is true," adds the *Letter*, "not only of the amount of ground gained but of the quality of resistance displayed and the ability to move forward in the face of war news distinctly discouraging in its immediate implications. . . .

"Without attempting to forecast short term fluctuations or to deny the probability of at least temporary declines on specific items of bad news, there seems reasonable foundation for the belief that the investing public is increasingly committing itself to confidence in ultimate victory and to confidence in the values represented by the stocks of well managed American corporations at their still greatly depressed levels.

"It should, therefore, be timely to point out that, in any period of advancing prices for equities, the best results are to be secured through the limitation of investments to those industries whose prospects appear most favorable."

The *Letter* goes on to quote from the research division of one of the country's largest investment firms in support of the principle of investing by industries. The quotation so clearly expresses this principle (which today is widely applied by investment company managements) that we are reprinting the quotation in full herewith:

"In recent years, the behavior of stock prices has been characterized by 'industry-group' movements. As American business enterprise has matured, the earnings of individual companies have been subjected more uniformly to the effects of basic influences existing in the industry in which they operate. Opportunities for increasing sales and earnings beyond those afforded by basic industry trends have become limited. During wartime, this has become increasingly true. Consequently, one may rightly anticipate better results from a second-rank company operating in an industry whose prospects are especiallypromising, that from a top-rank company operating in an industry whose prospects are marred by adverse trade circumstances. On this premise has been built our conviction that in selecting stocks either for investment or speculative purposes, a decision should first be made as to the industry in which representation is desirable; although of extreme importance in itself, the choice of the individual stock should be the second decision."

Investment Company Briefs

American Business Shares, Inc.:

From the July 16 issue of the *News Letter:* "In the month of June, two new issues made their appearance in the common stock section of the portfolio: McGraw Electric and Reynolds Tobacco. Small holdings in American Cyanamid and Spicer Mfg. were disposed of, as well as the remaining Aluminum Corp. Holdings in National Cash Register were more than doubled, and there was further buying of Commercial Investment Trust and Commonwealth and Southern 6% pfd.

"Among the bonds, we find a reduction in N. Y. Central 3¼ 1952 and sales of $100,000 of U. S. Treasury notes. In contrast, there was an increase in the holdings of International Tel. & Tel. 5s 1955 and two new items: Associated Electric 4½ 1953 and American and Foreign Power 5s 2030."

"An All-Around Investment" is the title of a simple mimeographed sheet on American Business Shares. It sets forth clearly and in short sentences what the sponsors believe such an investment should be.

* * *

National Securities Series:

In a handy, eye-catching little booklet carrying the intriguing title, "The Doctors' Dilemma," the income appeal of National Bond Series is presented in an unusual and convincing way.

The July 13 issue of the weekly *Investment Timing* service of this company's sponsor, National Securities & Research Corp., contains an interesting discussion of commodity prices, their probable trends and the influence these trends will have on our economy.

* * *

Hare's Ltd.:

In a communication to its deal-

(Continued on page 273)

INCORPORATED INVESTORS

Prospectus may be obtained from authorized dealers, or
The PARKER CORPORATION
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Municipal News & Notes

State revenue officials are unanimous in predicting substantial decreases in motor fuel tax collections during the present fiscal year and until automobile restrictions have ended. Basing their estimates on assumption of limited emergency curtailment of motor vehicle usage, officials of several States, including Florida, Illinois, Kentucky, Mississippi, South Carolina and West Virginia, believe gas tax revenues for the next several months will be between 25 and 35% under recent levels. North Carolina is reported anticipating a decline of 50% in the entire fiscal year ending June 30, 1943.

Several factors influenced the estimates, the Federation of Tax Administrators said in its survey of the motor fuel tax situation. Wartime reduction of highway travel accounts for most of the drop in gas tax revenues; but most States exempt some non-highway uses of motor fuel from taxation, and it seems as if an increasing portion of fuel is going for agricultural and industrial use and other exempt purposes. In addition, sales to the Federal Government are non-taxable, and more and more gasoline is being used for the expanding armed forces. In Florida, for example, recent reports indicate that, because of increased Federal purchases, non-taxable gasoline consumption rose from 3,400,000 gallons in May, 1941, to 9,100,000 gallons this last May. Taxable gallonage fell 24% in May, however.

While loss of motor fuel tax revenues imposes a financial strain on all States, the problem is especially acute in States required to devote a portion of gas tax receipts to debt service on highway bonds. This legal obligation may in many cases prevent apportionment of declining revenues on the basis of need, and danger of default will confront any State which has total gas tax receipts of less than the amount required by debt service. According to a recent compilation, 13 States used 30% or more of their share of 1940 gas tax receipts for debt service. Five of the States are in the present rationed area, where decline in receipts is greatest. The States, and percentages of gas tax revenues used for debt service, were: West Virginia, 45; Florida, 40; New York, 36; Massachusetts, 34; and Maine, 31%. West Virginia, with a highway budget of about $15,500,000 for the 1943 fiscal year (it was $25,000,000 for the 1942 fiscal year), of which $8,500,000 is for debt service, anticipates revenues of less than $14,000,000 from all available highway fund sources including the gasoline tax.

A paradoxical element in the current motor fuel tax situation, the Federation said, is that while the States face greatly curtailed revenues from this source, many now have amounts in road funds which they may have difficulty in spending. Collections during most of the last fiscal year were at a high level and, at the same time, war restrictions on construction made it increasingly difficult to place contracts for road building or maintenance — the purpose for which large portions of gas tax revenues in many States are dedicated by law. Thus, facing a decreased flow of tax income in future months, some of the States hold large amounts of road funds which they may not be able to spend in the usual manner. The survey showed that several of the States, including Arkansas, Minnesota, Ohio, Virginia, Washington and Wisconsin, will hold the accumulated funds for post-war use. Outstanding road bonds will be retired by "frozen" funds of Iowa, Maine, Missouri, Montana, New Mexico, Oregon, Tennessee and other States, according to the Federation's survey.

Triborough Bridge Revenues Drop

"There is no cause for apprehension over the ability of the Triborough Bridge Authority to meet in full all of its current obligations, including interest on its outstanding bonds, despite the drastic reduction in the use of its facilities, according to the official report of the Authority covering the six month period ended on June 30. Traffic over the bridges and approaches operated by the Triborough Authority declined 25% in the six months covered by the report from the same period last year and the reduction in May and June amounted to about 40%. Yet, the report emphasized, the present rate of earnings is sufficient to meet all requirements. On Aug. 1, the next interest payment date for the bonds, the Authority will have an estimated surplus of $250,000, which is available for any future interest payments.

"Much needless apprehension has been caused by rumors and irresponsible statements as to the effect of the wartime automobile, tire, gas and other restrictions on our revenues," members of the Authority said. "The report of the General Manager and Secretary, Paul Loeser, stripped of all technicalities, shows that while there has been a drastic reduction in the use of our bridges and in our gross revenues, the Authority is in every sense solvent, is able to meet all of its current obligations and has no reason to assume that it will not be able to continue to pay its bills even if present adverse conditions continue."

N. Y. Port Authority Revenues Hold Firm

The June income statement of Port of New York Authority serves to emphasize anew the relatively strong position occupied by that enterprise in the face of gasoline rationing and other restrictions on private automobile travel. Operating revenues of the Authority for the month, at $1,267,044, came within 24% of the level of June, 1941, notwithstanding the fact that gasoline rationing affecting Eastern States was in effect throughout the full 30-day period.

Income after expenses came to $962,649, or more than twice the month's $416,047 proportionate interest requirement. After interest there was a balance of $546,602 available for sinking funds, reserves and debt retirement. This compared with the $845,401 balance after interest requirements in June, 1941.

The reason for the unusually well sustained situation for Port of New York Authority at present, of course, lies in the fact that a large percentage of revenues from its Holland Tunnel, Lincoln Tunnel and George Washington Bridge derives from interstate truck traffic.

Pa. Turnpike June Revenues Declined

Total revenues of Pennsylvania's superhighway in June were under the total for the preceding month and down sharply from June, 1941. The Pennsylvania Turnpike Commission report for June shows total revenues of $189,540. This compares with total revenues of $211,344 in May and $281,966 in June, 1941.

FLORIDA

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Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

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1ST NAT BANK BLDG CHICAGO ILLINOIS

A total of 125,958 vehicles used the highway during June, yielding $179,086 in revenue, compared with 145,646 vehicles and $200,620 in May and 252,276 vehicles and $258,420 in June, 1941.

Municipal Tax Proposal Rejection Commended

Henry Epstein, Solicitor General of New York State and Chairman of the Conference of State Defense, in a radio address last week, commended the House Ways and Means Committee for rejecting the proposal advanced by the Treasury Department to tax the income from State and municipal bonds. Mr. Epstein listed five reasons why the action of the Committee should receive the unqualified commendation of State and municipal officials throughout the country. They are:

"Federal taxation of municipal bonds will take the control of your local governments out of the localities and move it to Washington.

"It will produce no substantial Federal revenues.

"It simply is not a fact that your local securities constitute any substantial 'loophole' through which wealthy taxpayers escape their proper share of the Federal tax burden.

"Federal taxation of municipal bonds will substantially increase the cost of local government.

"Federal taxation of municipal bonds will paralyze the fiscal operations of thousands of cities and, in many cases, will make it impossible for you to carry on the independent functioning of your essential municipal services."

N. J. Local Tax Rates Again Reduced

For the third consecutive year a majority of the State's 566 municipalities this year show a reduction in their all-purpose property tax rates. This was revealed last week in a survey released by Walter Kidde, Chairman of the Cost of Government Committee of the State Chamber of Commerce.

The survey, prepared by the Chamber's Department of Government Research under direction of Alvin A. Burger, showed 322 municipalities, or 56.6%, had lower tax rates this year than in 1941. Another 20 had the same rates as last year and 226, 39.9%, had higher rates.

The survey showed taxes levied against property in the State totaled $250,705,064, which was $11,678,738 lower than in 1941 and the lowest since 1937. The all-purpose levy includes all property taxes imposed for support of county and municipal governments, local schools and the State school fund.

Wis. Counties Seek New Highway Financing Method

A reversal of the traditional method of State highway financing will be presented to the 1943 Legislature by the county governments of Wisconsin.

The counties want to return to a cash basis in the construction of State trunk highways, they say, and the abandonment of the use of county credit for such projects.

Traditionally the State has financed large highway construction projects by employing counties' borrowing power. Most of the important modern State highways were built on county credit. Counties issue the bonds because the State is constitutionally unable to borrow. But the State guarantees the annual principal payments, while the counties pay the interest charges.

The latter factor is what counties are complaining about now. They maintain that if the State collects enough highway money to allow a diversion of highway funds to other purposes, it is not reasonable or equitable for counties to assess their property taxpayers for the interest charges on State highway bonds.

San Antonio Asks Utility Case Transfer

A hearing on an injunction sought to prevent the City of San Antonio from condemning and purchasing San Antonio Public Service Co. properties was temporarily sidetracked in District Court last Friday when the city filed a plea of privilege.

The plea, which takes precedence, asks that the application for an injunction filed by the Gaudalupe-Blanco River Authority be argued in Bexar County, of which San Antonio is the seat.

In the meantime Judge M. C. Jeffrey said that the temporary restraining order issued recently would remain in effect.

The Authority and city both are attempting to condemn the properties, for which the city already has closed a deal at a total cost of nearly $35,000,000.

Ark. Cities May Purchase Utility Properties

After the Arkansas Power & Light Co. has completed proposed sale of water systems in 20 cities to a syndicate headed by Butcher & Sherrerd of Philadelphia, and Robert Hawkins & Co. of Boston, some of the cities may use their constitutional right to negotiate for repurchase of such property, it was reported from Little Rock last week.

C. H. Moses, President of the Arkansas Power & Light Co., indicates that a larger sum could probably be realized by the company's sale of each system singly, except that all of the 20 cities do not wish to acquire the plants. The consideration to be paid by the syndicate is $3,000,000.

After the sale is completed, the company will become a generator and marketer of electrical energy except for some natural gas properties for which fuel is purchased from the Mississippi River Fuel Corporation and the Memphis Natural Gas Co.

Baltimore Plans Large Bonds Issue

Voters of the City of Baltimore, Md., will be asked at the election next November to authorize the issuance of $32,000,000 in bonds, it was learned last week. The purpose of this contemplated financing is to provide funds for a supplemental water supply in the upper Patapsco River.

It is the intention of the city, according to Mayor H. W. Jackson, to offer the bonds at par value in competitive bidding with bidders to specify a rate of interest not exceeding 5%.

New Orleans Plans August Bond Call

New Orleans public improvement 4% bonds have been deposited under the proposed interest reduction plan in "quite gratifying" volume since the Supreme Court of Louisiana handed down a favorable decision on a test suit on July 6, according to R. S. Hecht, Acting President of the Board of Liquidation, City Debt.

With the Supreme Court action out of the way, the Board intends to call the 4% bonds soon after Aug. 1, unless by that time enough of the obligations have been deposited to make a call unnecessary, Mr. Hecht reports.

To protect itself against the possibility of the Court adjourning for the summer without handing down a decision in the test case, the Board reserved the right to extend the time for depositing bonds to as late as Dec. 1. Now that the Court decision has been made known, Mr. Hecht emphasizes that there will be "positively no extension of the plan to a date anything like as late as Dec. 1."

New Orleans has $12,000,000 of 4% public improvement bonds outstanding, which are callable at any time after July 1, 1942, at par and accrued interest. The bonds mature July 1, 1950. Under the proposed plan, interest would be reduced to 2%. The plan is to be put into effect if assented to by 90% or more of the holders.

Nassau County Bond Exchange Plan

Next Monday the Board of Supervisors of Nassau County, N. Y., is expected to meet for the formal approval of a refunding plan embracing $5,660,000 bonds. Acting as agents for the county are Lehman Brothers and the Chase National Bank, while a group of investment houses will be associated with them to negotiate exchanges of outstanding bonds. The plan, approved by N. Y. State Comptroller O'Leary, embodies the basic outline of the Philadelphia exchange arrangement; providing for the calling in of bonds maturing over the next five years and carrying interest rates of from 3 to 6%.

The new bonds, scheduled to mature from 1951 to 1960, will carry the original coupon rate to the final due date of the bonds turned in and the exchange rates, for the period of the extended maturity, will range from 2½ to 3%, according to the maturity.

Tuesday's Important Sales

Officials of 22 local housing authorities awarded Tuesday $28,675,000 of temporary loan notes to various banking and investment institutions. Of the total the Chemical Bank & Trust Co. and associates bought $17,735,000; the Girard Trust Co., Philadelphia, $5,775,000; Salomon Brothers & Hutzler, $4,375,000, and Harvey Fisk & Sons, Inc., $790,000.

The Chemical Bank & Trust Co. of New York also obtained another award on Tuesday, being the head of the successful group for $4,000,000 of South Carolina highway certificates of indebtedness on a bid of 101.534 for 2¾s. The certificates, dated Aug. 1, 1942, and to mature Aug. 1, 1949 to 1958, were reoffered to the public at prices to yield 2 to 2.65%, according to maturity.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

July 23 (today)

$500,000 Detroit, Mich.

The last important sale of street railway revenue notes took place only two weeks ago on July 9; the award going to the First of Michigan Corp., Detroit. The Chemical Bank & Trust Co. of New York was runner-up.

July 29

$1,200,000 Washington Suburban San. Dist., Md.

Last December the said district awarded a larger issue to a syndicate headed by Phelps, Fenn & Co. of New York. Runner-up in the bidding was Harriman Ripley & Co., Inc. of New York, and associates.

Aug. 11

$505,000 Birmingham, Ala.

Last January this city awarded bonds to a syndicate headed by Blair & Co., Inc., of New York. The Union Securities Corp. of New York and associates entered the next best bid.

Investment Trusts

(Continued from page 271)

ers dated July 10, 1942, this sponsor mentions the depletion of sales organizations through enlistments in the Service and suggests the use of direct mail as a means of maintaining contact with clients and prospects. Accompanying the memorandum are a sample "direct mail" letter and a chart illustrating one type of mailing which has definite appeal.

The letter points out that since Dunkirk the market prices for British stocks have risen about 60% while prices for United States stocks have declined around 30%. The chart compares the earnings of leading aviation companies with their market prices during recent years. The point is brought out that "the net earnings of leading aviation companies have increased approximately 260% during the last two years, while the market value of their stocks has declined about 30%. In other words, these stocks appear some 290% cheaper than in December, 1939."

* * *

Massachusetts Distributors, Inc.:

The July 11 issue of *Brevits* discusses the many reasons which have been put forward for the rise in the stock market and concludes as follows:

"Obviouly all investors have not had the same reason for buying in recent weeks, but whatever the reasons and however conflicting they may seem to be, the significant fact is that more and more investors are becoming convinced for one reason or another that common stocks are an attractive medium for investment at this time.

"That is not a very profound observation, but in our opinion it represents the key to the situation. Prices are low, yields are high, and for a variety of reasons investors are deciding to take advantage of the favorable buying opportunity that exists."

* * *

The Keystone Corp. of Boston:

The July 10 issue of *Keynotes* contains a chart and a tabulation showing the present relative position of various classes of securities as represented by the ten Keystone Custodian Funds. The current position is expressed in terms of the 1937 highs and the 1938 lows as follows:

	Percent Recovery From 1938 Lows	Percent Appreciation To Achieve 1937 Highs
Bond Funds—		
"B1"	50%	22%
"B2"	48	33
"B3"	36	52
"B4"	31	68
Preferred Stock Funds—		
"K1"	28	48
"K2"	18	148
Common Stock Funds—		
"S1"	6	95
"S2"	5	129
"S3"	9	176
"S4"	0	320

* * *

Calvin Bullock:

The July 16 issue of *Perspective* is devoted to a scholarly discussion of the war economy 1914-1939. Comparative charts of business activity, high grade bond yields, stock prices and wholesale commodity prices are included. The discussion concludes with the following summation:

"The behavior of common stock prices in the two World War periods, as shown in the chart, provides an interesting study in contrasts. In the First World War, after a period of confusion for several months in 1914 during which the Exchange was closed, prices soared spectacularly. By November 1916, the twenty-eighth month of the war stock prices reached their war peak at a level more than 100% above that of the last pre-war month. In the present war period, the stock market, after an abortive flurry at the outbreak of the war, has been in a persistent down trend which carried prices by April 1942, the thirty-second month of the war, to a level about 30% below that of August 1939.

"In the First World War, the down trend in evidence at the end of 1916 gained momentum with our entry into the war in 1917, and prices continued downward sharply throughout that entire year. Thereafter another recovery set in which extended into the post-war period and carried prices by July 1919 to levels above the highs attained during the war period.

"The impressive recovery in prices in the past two months, in spite of the disquieting nature of the war news, suggests that common stocks have largely completed their adjustment to an all-out war environment and that the bear market, which has characterized the entire war period to date, is approaching, if it has not already reached, its termination."

Railroad Securities

(Continued from page 269)

1931-1940. In two of the indicated deficit years, 1935 and 1938, approximately 90% of the obligatory requirements would have been covered and only in 1932 would the ratio have been really low—36% earned. Last year the proposed fixed charges would have been earned 5.27 times. For the 5 months through May, 1942, net operating income was up 141% from a year ago to $10,038,000. Further gains are probable for the balance of the year.

Average indicated coverage of 1.46 times for the 10 years 1931-1940 would be increased substantially by any adjustment for the extraordinary maintenance work. Even as reported, earnings would have been sufficient on the average to cover the contingent portion of interest on the Series "B" First Mortgage 3-4s, 1983, but leaving nothing for the Income bonds which are preceded by the discretionary additions and betterment fund. Under normal operating conditions, that is with present operating efficiency and without unusual maintenance charges, it is believed that full Income bond interest could be earned in all but severe depression years. The equities would have earnings only in boom years ($3.58 was indicated on the common last year) and then only if some adjustment is made in the tax laws as they apply to the invested capital base of reorganization railroads.

Considering the time element involved and indications that considerable negotiating will have to be done before the opposing views of treatment can be brought into line, it is considered that system bonds, other than underlying liens of investment merit, have little appeal at the present time. On a long term basis, however, recent prices appear low. This is particularly true inasmuch as there are definite indications that the basic traffic position of the road has changed for the better in recent years. Industrial growth of the South, and particularly expansion of the infant paper industry, has been accelerated by the necessities of the war program and by war dislocations. These new plants represent a permanent accretion to the economy of the service area. Seaboard is well situated, and well prepared physically, to take the fullest advantage of these developments.

	1st & Consolidated Committee Plan				Underlying Bond Committee Plan			
	Series "B" 1st 3-4s	Income 4½s	5% Pfd.	*Com.	Series "B" 1st 3-4s	Income 4½s	5% Pfd.	*Com.
Carolina Central 4s, 1949	$180	$740	$150	$230	$681.10	$618.90	----	----
Florida, Cent. & Pen. 5s, 1943	130	910	165	170	949.33	425.67	----	----
Florida West Shore 5s, 1934	---	50	200	315	----	460.13	$331.87	$783.00
Georgia & Alabama 5s, 1945	---	50	200	320	----	327.26	212.33	498.88
Ga. Carolina & No. 6s, 1934	40	230	45	475	379.00	565.32	----	745.68
Seaboard Atlanta-Birm. 4s, 1933	50	275	55	565	413.34	305.34	112.41	642.24
Seaboard & Roanoke 5s, 1931	---	335	55	590	184.60	644.07	136.98	484.35
Southbound-Southern 5s, 1941	---	250	250	60	----	671.20	31.75	587.03
Seaboard 1st 4s, 1950	90	460	90	850	19.84	534.75	123.90	811.51
Seaboard Ref. 4s, 1959	50	200	55	400	5.77	207.63	78.33	422.78
Seaboard 1st & Cons. 6s, 1945	95	265	65	555	2.81	199.26	76.21	522.39
Seaboard 5% Notes, 1931	75	240	105	575	2.25	201.57	82.22	494.59
Ga., Fla. & Ala. 6s, 1952	200	35	200	170	568.43	----	85.93	866.91
Seaboard All Florida 6s, 1935	---	50	100	245	----	79.03	39.84	143.78

*Taken at $100 a share.

Accords Free Entry To Allies' Soldiers Articles

The Treasury Department on July 2 denied various newspaper stories that Canadian troops, rushing to the defense of Alaska in accordance with an international agreement, were delayed at the border by demands of Customs officials for payment of duty on their spare uniforms and fighting equipment. The Treasury states:

"No instances of delay in the passage of Canadian troops into Alaska or any other part of American territory on account of Customs formalities have been reported to the Bureau of Customs, nor have there been any reports that Customs officers have demanded payment of duty on effects or equipment carried by these troops or brought to America with them. The law does not require payment of duty either on the clothing and personal effects these troops may bring with them or on their arms and equipment."

In part the statement issued by the Treasury Department also said:

"To the general request from the State Department for free entry for packages sent to individual officers and soldiers after their arrival in United States territory, informal reply was made that the only way it seemed possible under existing law to grant such a privilege would be by designating all the Canadian troops on American soil as "distinguished foreign visitors." This solution was not considered wholly satisfactory either by the State Department or the Treasury Department. Nevertheless, the Secretary of State acted upon it and on June 19 addressed a letter to the Secretary of the Treasury so designating the Canadian forces in Alaska.

"Realizing that this could be only a temporary expedient and an unsatisfactory one at best, the Treasury Department caused to be introduced in Congress on Wednesday, June 24, a joint resolution (H. J. Res. 327) which would accord free entry and freedom from internal revenue tax to any articles imported into the United States, its territories or possessions, for the personal or official use of members of the armed forces of any of the United Nations on duty within American territory. On representation by the Treasury Department that the matter was one of great urgency, the resolution was passed by both houses within three days and has been approved by the President.

Cotton Loans Extended

The Commodity Credit Corporation will continue to carry 1941 cotton loans subject to the producers' right of repayment after July 31, 1942, the maturity date of the notes, the U. S. Department of Agriculture announced on July 9. This will permit producers to repay their loans and obtain possession of the pledged cotton or to sell their equity in the cotton after July 31, 1942, in the same manner as prior to the maturity date of the notes. The loans have been extended for an indefinite period and producers will receive amply notification before any change in this extension is made.

Govt. Issues Total 95% Of May New Financing

The Securities and Exchange Commission announced on July 10 that new issues of securities offered for cash in May amounted to $2,965,000,000 of which 95%, or $2,809,000,000, consisted of United States Government obligations. This heavy volume exceeded even the amount of securities marketed in February of this year, which had represented the record monthly figure since the last World War. (The figures on United States Government securities do not include sales of Treasury Bills and Tax Series Notes.) Aside from Government flotations, new issues continued to be light in amount. Corporate issues of $126,000,000 were somewhat higher than in the preceding month, but State and municipal offerings dropped to $30,000,000, the lowest level since September, 1939.

The survey, which was prepared by the Research and Statistics Subdivision of the Trading and Exchange Division, covers all new corporate and non-corporate issues offered for cash that are reported in the financial press, with the exception of issues $100,000 and under in amount and, in the case of debt issues, of a maturity of less than one year.

The Commission's announcement further stated:

"As during the preceding month, industrial issues, totaling $104,000,000, accounted for most of the corporate offerings. Flotations by public utility companies rose slightly to $21,000,000, but were still below the average for 1942 to date, and far below the 1941 average. For the second consecutive month, no railroad securities were issued, while offerings by financial companies (excluding investment companies) amounted to less than $1,000,000. Of total corporate debt issues, amounting to $113,000,000, almost two-thirds were placed privately. This compares with an average of 30% for the first five months of 1942, and with 28% for the year 1941. Although several small issues were sold privately, the major portion was accounted for by the $50,000,000 Humble Oil & Refining Co. 2.50-2.95% serial debentures, due 1953-62.

"A decline was shown in the amount of net proceeds assigned to new money purposes. Of estimated net proceeds totaling $124,000,000, $59,000,000 was intended for new money purposes, including $32,000,000 for working capital purposes, and $27,000,000 for additions to plant and equipment. The amount allocated to repayment of indebtedness totaled $64,000,000, of which $11,000,000 was to be used for payment of funded debt. This represents the lowest amount of refunding issues in four years, although since October, 1941, these transactions have been sharply curtailed as compared with former years. The balance of the net proceeds raised from May issues, amounting to less than $600,000, was assigned to miscellaneous purposes."

US To Arm Norway Ships

The number of governments with which the United States has formal agreements on the principles applying to mutual aid in the prosecution of the war was increased to nine on July 11 with the signing of master lend-lease pacts with Norway and Czechoslovakia.

Wilhelm Morgenstierne, the Norwegian Ambassador, and Vladimir S. Hurban, the Czech Minister, signed for their governments and Secretary Hull for the United States. The agreements, pledging not only their mutual resources to a common victory but collaboration in post-war economic policies, were similar to those previously concluded by this country with Great Britain, Russia, China, Poland, Belgium, the Netherlands and Greece.

Under the agreement with Norway, the United States will bear the expense of arming and repairing Norwegian merchant vessels and the armament thus provided may be manned by American gun crews "if found mutually desirable."

It also was agreed that "it will be necessary for the Royal Norwegian Government, when the invader has been driven from its territory, to ensure the maintenance of re-established peaceful conditions, and that, for this reason, the need of the Royal Norwegian Government for arms and equipment will not necessarily cease with the general cessation of hostilities."

Motorists Must Turn In Worn-Out Parts For New

The War Production Board recently ruled that after July 15 automobile owners will be required to turn in worn-out parts before getting new ones. In addition, the order provides that no new part may be sold or delivered to a consumer to replace a part which can be reconditioned by a distributor.

The provision was part of an order imposing new blanket restrictions on the manufacture of spare parts for all types of automotive equipment, covering the last half of the year.

Manufacturers of parts for medium and heavy trucks, trailers, buses and "off-the-highway" vehicles may make up to 125% of their sales of these parts during the same period last year provided their over-all inventory of parts does not exceed a four-month supply. On the other hand, if their inventory exceeds a four-month supply they may manufacture up to 75% of their sales during the like period in 1941, provided they do not increase their inventory position at the end of each calendar quarter over what it was at the beginning of each calendar quarter.

Manufacturers of spare parts for passenger cars and light trucks may make up to 75% of their sales during the corresponding quarter last year, provided their over-all inventory does not exceed a four-month supply. If their inventory is in excess of this amount they may manufacture up to 50% of their sales during the same period last year, provided they do not increase their inventory position at the end of each calendar quarter over the previous one.

Urges All Home Mortgages Put On Amortized Basis

Wartime conditions have added greatly to the desirability of placing all home mortgages in the United States on an amortization basis, thereby making debt-free home ownership possible for millions of American families, Federal Housing Commissioner Abner H. Ferguson declared on July 11. Mr. Ferguson's reappointment for a four-year term by President Roosevelt on July 1 was confirmed by the Senate the same day (July 1.).

By using a form of home financing which provides for regular payments to reduce the outstanding loans on their homes, American home-owners will be contributing valuable support to President Roosevelt's program to prevent a sharp rise in the cost of living during the war period, Mr. Ferguson pointed out. One of the principal points of that program is to encourage the paying off of debts and mortgages as a means of directing increased purchasing power into channels that will help forestall any further rise in prices. In addition to helping stabilize economic conditions during wartime, a more widespread use of amortizing mortgages will strengthen the position of home-owners in the peacetime years to come, the Commissioner asserted.

June Failures Lower Than A Year Ago

June business failures were not only lower than in May but were also below the June total of last year, the amount of liabilities involved in June, 1942, were higher than in June, 1941, and were slightly above the amount involved in May, 1942. Business casualties last month, according to Dun & Bradstreet, Inc., totaled 804 and involved $9,906,000 liabilities, as compared with 955 involving $9,839,000 in May and 970 involving $9,449,000 in June, 1941.

The decreases from May were confined entirely to the wholesale and retail divisions, while increases took place in the manufacturing, construction and commercial service divisions.

Manufacturing failures last month numbered 135, involving $3,327,000 liabilities, compared with 134 in May with $2,924,000 liabilities. Wholesale insolvencies decreased to 68 with $1,209,000 liabilities from 69, with $877,000 in May. In the retail trade section, failures were down to 486 with $3,752,000 liabilities, compared with 647 involving $4,392,000 in May. Construction insolvencies were 67 with $945,000 liabilities as compared with 63 with $1,175,000 liabilities in May, 1942. Commercial failures numbered 48 with $673,000 liabilities as against 42 with $471,000 liabilities in May, 1942.

When the country is divided into Federal Reserve districts it appears that ten districts had less insolvencies than in May, while the Minneapolis Reserve District has one more and the Philadelphia Reserve District had the same number. When liabilities are considered, eight districts had greater liabilities, while four districts had a smaller amount of liabilities. The districts which had less liabilities are the Boston, Atlanta, Dallas, and San Francisco Reserve districts.

Living Cost Stable

No change occurred in the cost of living as a whole for wage earners and lower-salaried clerical workers in the United States between May 15 and June 15, according to the Conference Board, New York.

Food was the only item surveyed which continued to rise. It increased 0.4% from May to June, as compared with a rise of 0.3% in the preceding month. All other items declined. Clothing fell 0.6%, due mainly to the decrease in the cost of women's clothes, while the cost of men's fell only slightly. The three other main items surveyed — housing, sundries, and fuel and light—declined 0.1%.

The Board's index of the cost of living (1923=100) remained at 97.3 for June, as compared with 97.1 in April, 96.1 in March, 95.1 in February, 94.5 in January, and 88.5 in June, 1941.

The level of living costs was 9.9% higher than that of a year ago. Clothing costs led the advance over June, 1941, with an increase of 19.7%. Food was second with a rise of 16.4%. Other rises during the twelve months were: sundries, 5.6%; fuel and light, 4.3%, and housing, 3.2%.

Heads General Dyestuff

Leo T. Crowley, Alien Property Custodian, on July 10 announced that he had selected Col. Louis Johnson to serve as President of General Dyestuff Corporation of New York. Control of General Dyestuff Corporation was seized by the Custodian on July 6.

Col. Johnson, Assistant Secretary of War from 1937 to 1940, just returned to the United States from India, where he went in his capacity of Personal Representative of President Roosevelt.

General Dyestuff, according to Mr. Crowley, is the sales agency of General Aniline and Film Corporation, giant dye manufacturing firm which formerly was controlled by I. G. Farben, the German chemical trust, but which has been under Government control since March of this year. Management of General Dyestuff consequently is linked closely to the war effort, and Col. Johnson's selection as President of the firm was dictated largely by his unique knowledge of Army requirements and of the international ramifications of the present conflict, Mr. Crowley stated.

Sub-Parity Grain Sale Is Approved By House

The two months' deadlock on the $680,000,000 Agriculture Department supply bill was finally broken on July 15 when the House agreed to a Senate proposal to permit the sale of government-owned wheat at prices below parity.

This action allows the Commodity Credit Corporation to sell 125,000,000 bushels of wheat at 85% of the parity price of corn, or about 83 cents a bushel, for livestock feed and industrial purposes.

President Roosevelt had twice told Congress that the Government must be free to use its feed resources to produce food for the wartime effort.

Final Congressional action came when the House, after rejecting a new "compromise" proposal, voted 171 to 57 to recede from its position and accept the Senate version. The so-called "compromise" proposal, offered by Representative Cannon (Dem., Mo.) would have set the minimum sale price for the wheat at full parity for corn, or about 97 cents. This motion was rejected by a vote of 204 to 128.

Twice before the House had insisted that Government wheat sales be made at not less than parity for wheat, or about $1.35 a bushel.

The only other point of difference in the supply bill was in the amount of money for the Farm Security Administration. It was reported that the Senate and House conferees compromised on a figure of $169,125,000 for the FSA program, with $135,500,000 for rehabilitation loans, and $34,175,000 for the Farm Tenant Purchase Act. The Senate had voted $222,800,000 (which the President held were "minimum") and the House only $127,000,000.

President Roosevelt's views on these two issues were given in our July 16 issue, page 189.

The passage of "stop-gap" legislation to permit the Agriculture Department to operate during July was reported in these columns of July 16, page 181.

D. R. Crissinger Dead

Daniel Richard Crissinger, Comptroller of the Currency during President Harding's administration and Governor of the Federal Reserve Board from 1923 to 1927, died at his home in Marion, Ohio, on July 13. He was 81 years old. A native of Marion County, Ohio, Mr. Crissinger took an active part in Mr. Harding's campaign for the Presidency in 1920, having been a lifelong friend. He was named by the President as Comptroller of the Currency in 1921 and became Governor of the Federal Reserve Board in 1923, serving until 1927. Mr. Crissinger's early career was spent in practicing law in Marion. He also organized the National City Bank of Marion (formerly National Bank & Trust Co.) and served as its President for many years. Following his retirement in 1927 from Government service, Mr. Crissinger became Chairman of the Executive Committee of the F. H. Smith Co., investment bankers, of Washington, and later resumed his law practice in Marion.

Develop Synthetic Rubber From Soybean & Corn Oils

Although chemistry's efforts to meet the rubber shortage center mainly on producing a synthetic product from such large-scale raw materials as grain and petroleum, the Department of Agriculture also is working on so-called rubber substitutes and rubber extenders, it was announced on July 9. Substitutes would be useful for many products that do not have such huge and exacting requirements as tire manufacturing. Extenders could be mixed with natural rubber to reduce the amount of the latter required.

At the Northern Regional Research Laboratory of the Bureau of Agricultural Chemistry and Engineering, at Peoria, Ill., chemists working with such farm products as soybean oil and corn oil have produced materials that look, smell, and feel much like natural rubber.

Some of these products will stretch 200% or more and return to their original forms, and show tensile strengths of approximately 500 pounds per square inch. The general run of natural rubber has a 600% stretch, and a tensile strength of 3,000 pounds or more. But a substitute that is only a fraction as strong and elastic is entitled to be called promising for some purposes, say Bureau chemists and engineers. There are other important qualities than stretch and tensile strength—their importance depending upon the intended use. Some of these other qualities are resistance to abrasion, cracking, oxidation, heat, and the effects of light and chemicals. Most of the work so far has been only on a laboratory scale, but some of it is being tested in the pilot plant. If this proves satisfactory, the next step would be commercial trials.

New Currency For Hawaii

A new series of currency for the Territory of Hawaii came into use on July 15, replacing ordinary United States currency. Under regulations issued on June 25 by J. B. Poindexter, Governor of Hawaii, and Brig. Gen. Thomas H. Green, Executive to the Military Governor of Hawaii, no currency other than the special Hawaiian series may be held or used in the Territory of Hawaii without a license and exportation of the new currency is prohibited. Persons holding ordinary United States currency in Hawaii were required to exchange such currency by July 15 for the new series.

The Treasury Department's announcement of this change stated:

"Treasury officials explained that the new series is currency of the United States issued by the United States Treasury Department as legal tender for Hawaii and that it is fully backed by the credit of the United States. A note of the new series differs from ordinary American currency only in that it bears the distinctive overprint 'Hawaii' in bold-faced type on each end of the face and the word 'Hawaii' across the reverse side.

"License applications to hold or use ordinary United States currency in Hawaii or to export United States currency, Hawaiian series, from Hawaii may be filed with Governor Poindexter on Form TFR-H28 in the manner in which Foreign Funds Control applications are filed.

"The Hawaiian currency replacement program results from careful study of Hawaiian currency problems by the Treasury Department, War Department, Navy Department and Department of the Interior, in collaboration with Hawaiian civil and military authorities. Brigadier - General Green announced that the program complements other measures taken for the protection of Hawaiian citizens and the economic defense of Hawaii."

Cotton Research Needed

If the cotton industry is to hold its position in the future as a major industry, scientific research must be intensive in several major fields, D. F. J. Lynch, director of the Southern Regional Research Laboratory, U. S. Department of Agriculture, said in an address prepared for the recent Second Inter-American Conference of Agriculture, at Mexico City.

Mr. Lynch outlined these fields of research and pointed to some of the new uses of cotton developed in recent years. "The present war prosperity, shared by all branches of the cotton industry, tends to obscure the real conditions," he said. "When the war is over, competition from other fibers and products will be intensified."

Mr. Lynch emphasized the need for three lines of research on lint cotton: (1) on the chemical and physical properties of the individual fibers, (2) on the mechanical processing of cotton and its manufacture into various products, and (3) on chemical finishes for cotton products. He said that most cotton products in use today were developed through trial and error and not as a result of scientific knowledge of the fibres of different varieties and of use requirements.

Resigns Commerce Post

President Roosevelt has accepted the resignation of Robert H. Hinckley as Assistant Secretary of Commerce, the White House announced on July 7. Mr. Hinckley resigned in order to accept a position with the Sperry Corporation. The President accepted Mr. Hinckley's resignation "with extreme reluctance" but added that he was glad "your new work takes you into the production of vital war equipment." Mr. Hinckley had a leading part in the Administration's aviation program, having at one time served as a member of the Civil Aeronautics Authority.

The President on July 13 nominated William L. Clayton of Texas to succeed Mr. Hinckley. Mr. Clayton was selected on recommendation of Secretary of Commerce Jones, whom he has been serving as a special assistant. He formerly was Deputy Federal Loan Administrator in charge of the purchase of strategic and critical materials.

Mtg. Bankers Cancel Annual Convention

Acting on the Federal government's request that large conventions be deferred this year because of heavy wartime rail travel, the Mortgage Bankers Association of America announced on July 17 the cancellation of its 29th annual convention scheduled for Chicago, Sept. 30 and Oct. 1 and 2 at the Edgewater Beach Hotel.

The Association, however, will hold its annual business meeting and a restricted Wartime Mortgage Conference to review and further correlate the various activities of mortgage bankers in the war program, Frederick P. Champ, Association President, said in his announcement. The conference will be Sept. 30 and Oct. 1 and 2, the original dates for the convention.

"By cancelling our convention this year the Mortgage Bankers Association is glad to be able to do its bit in easing the wartime transportation problem," Mr. Champ said.

Insolvent National Banks Liquidated

During the month of June, 1942, the liquidation of eight insolvent national banks was completed and the affairs of such receiverships finally closed, Comptroller of the Currency Preston Delano announced on July 14.

Total disbursements, including offsets allowed, to depositors and other creditors of these eight receiverships, amounted to $44,376,235, while dividends paid to unsecured creditors amounted to an average of 81.67% of their claims. Total costs of liquidation of these receiverships averaged 6.98% of total collections from all sources, including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of June, amounted to $1,357,531.

OPA Creates Labor Office

Price Administrator Leon Henderson announces the establishment of a labor office in the office of Price Administration. The labor office, to be directed by Robert R. R. Brooks of Williamstown, Mass., will be the OPA's liaison agent with organized labor, the Labor Production Division of the War Production Board, the War Manpower Commission, and other Federal agencies "in following or determining wage policy and wage rates." It will also act "as a point of clearance on issues arising from labor participation in local war price and rationing boards, labor participation in price stabilization and the impact of war increases on price ceilings."

Mr. Henderson said that "labor's whole-hearted cooperation is necessary for the successful stabilization of the cost of living."

Pipeline, Barge Canal Approved For Florida

Final Congressional action on the bill authorizing construction of a barge canal and pipelines across Florida was taken on July 18 when the House accepted minor Senate amendments. The legislation designed to help in moving gasoline and oil to the Eastern seaboard, carries an authorization of $93,000,000 for construction of the projects.

Senate passage of the measure came on July 17 on a voice vote after an amendment, which would have stricken the canal proposal from the bill, was defeated by a one-vote margin. It was suggested by Senator Bailey (Dem., N. C.) that the authorization be reduced from $93,000,000 to $13,000,000, making it simply a pipeline proposition. The Senate vote on this proposal was 30 to 30, Vice-President Wallace breaking the tie by voting to reject the amendment.

Of the total amount authorized, $44,000,000 is for the canal across Florida from the St. John's River to the Gulf, $10,000,000 for a series of pipelines across Florida, $13,000,000 for a pipeline from north Mississippi to Savannah, Ga., or Charleston, S. C., and $26,000,000 for extension of the Gulf-Coast waterway from Corpus Christi to Brownsville, Tex., and for deepening of waterway between Appalachee Bay, Fla., and Corpus Christi.

House passage of the bill on June 17 was noted in these columns July 2, page 23.

Asserting that passage of the bill had established precedent for spending money on projects which would not contribute immediately to the war effort, Senator Gerry (Dem., R. I.), according to Associated Press accounts from Washington, July 19, said that he expected the St. Lawrence project, which he also opposes, to be brought up soon. These advices added:

"Expressing the same viewpoint, Senator Austin of Vermont, the assistant Republican leader, said he thought a $44,000,000 outlay for a high-level lock canal across Florida would be 'wholly contrary to the policy of putting our money into resources needed for the war effort.' "

Finland Asked To Close U. S. Consulates by Aug. 1

The State Department in Washington announced on July 16 that the United States had closed its consular offices in Finland and has requested the Finnish Government to close all its consulate offices in this country by Aug. 1. This action was taken, it was explained, in order "to put an end to the present untenable situation involved in maintaining American Consular representation in Finland in the face of the attitude adopted by the Finnish government in the matter."

The decision was announced in a note delivered to the Finnish Foreign Ministry on Helsinki, after the Finnish Minister, Hjalmar J. Procope conferred with Under-Secretary of State Sumner Welles at the State Department in Washington.

Regarding the action, Associated Press advices reported:

"In its announcement of the move, the State Department pointed out that the Finnish Foreign Office a year ago had notified the American Legation in Helsinki that 'in view of wartime conditions' consular matters should be handled entirely through the Finnish Foreign Ministry rather than directly with local authorities.

"This action of the Finnish Foreign Ministry," the Department's announcement continued, "had the direct effect of denying to American consular officers in Finland" their specific treaty rights as consular officials.

Furthermore the Finnish Foreign Ministry in a note dated July 9 of this year informed the American Legation that it was preferable to postpone to a subsequent date the question of accepting the assignment of a career officer of the American Foreign Service whom the American Government had recently commissioned as a Vice Consul in Helsinki and for whom the American Legation had requested provisional recognition in accordance with established custom in such cases.

"The American Legation," continued the State Department's communique, "acting on instructions from its Government, informed the Finnish Foreign Ministry in a note dated July 16, 1942, that the request which the American Legation had made for the provisional recognition of the consular officer referred to above was withdrawn. The legation further informed the Finnish Foreign Ministry that by the latter's action in regard to the withholding of recognition of the consular officer referred to and in denying American consular officers presently in Finland their treaty rights in connection with the representation of American interests in Finland the Finnish Government had undermined the basis upon which American consular representation was maintained in Finland.

"Accordingly, the Foreign Ministry was informed that the consular commissions of the American consular offices at present in Finland had been cancelled and the consular section of the American Legation at Helsinki was being closed immediately; and that this action had been taken by the American Government to put an end to the present untenable situation involved in maintaining American consular representation in Finland in the face of the attitude adopted by the Finnish Government in the matter. The Finnish Government was requested by the American Legation to close all Finnish consular offices in the United States not later than Aug. 1, 1942."

Under date of July 16 Associated Press accounts from Washington also said:

"The State Department's announcement made no mention of Finland's participation in Germany's war against Russia, but the little republic's awkward position as an ally of the Nazis on the Northern front has already led to warnings from the United States that such participation could not be continued without loss of American friendship.

Finland maintains 14 consular offices in the United States and its territories, but in only a few of them are regular officers of the Finnish consular service stationed. The rest are honorary consuls and vice consuls of American nationality.

The 14 offices are in New York, Chicago, San Francisco, New Orleans, Boston, Detroit, Seattle, Astoria, Ore., Ashtabula, Ohio, San Juan, Puerto Rico, Canal Zone, Marquette, Mich., Duluth, Minn., and Charlotte Amalie, Virgin Islands.

The United States has maintained in Finland several consular officers serving concurrently as officers of the legation in Helsinki.

Fingerprinting Center In Downtown New York

Many prominent business men and employees in the Wall Street district are said to have attended the opening of a Civilian Fingerprinting Center in the downtown district on July 20 in the New York State Chamber of Commerce Building, and availed of the opportunity to have their prints taken. The fingerprinting center was made available by the Chamber to help the work of the War Identification Bureau of the Civilian Defense Volunteer Office. The center was officially opened at 11:30 a.m. and will be open from Monday through Friday each week form 9:30 a.m. to 5 p.m. until further notice. It is located on the street floor of the 59 Liberty Street entrance to the Chamber building, between Broadway and Nassau Streets. Robert K. Christenberry, Chairman, of the New York War Identification Bureau, who attended the official opening, expressed himself as well pleased with the cooperation of downtown business men. Frederick E. Hasler, President of the Chamber and Chairman of the Continental Bank & Trust Co., was the first to be fingerprinted when the center was officially opened. Former Governor Charles S. Whitman and his son Charles S., Jr., had their prints taken during the noon hour.

U. S. Formally At War With Balkan Nations

President Roosevelt on July 17 formally proclaimed the existence of a state of war with Hungary, Rumania and Bulgaria and called upon "all natives, citizens, denizens or subjects" of those countries residing in the United States "to preserve the peace toward the United States and to refrain from crime against the public safety and from violating the laws of the United States and of the states and territories thereof."

Acting six weeks after passage of the Congressional resolution declaring war on the three Balkan countries, the President made the more than 150,000 nationals resident in the United States subject to "summary arrest as alien enemies" if they violate any regulations imposed on them and made them subject to interment for the duration of the war, under the proclamation they are required, "to refrain from actual hostility or giving information, aid, or comfort to the enemies of the United States or interfering by word or deed with the defense of the United States or the political processes and public opinions thereof; and to comply strictly with the regulations which may be from time to time promulgated by the President."

Attorney General Biddle explained in a statement that the proclamation does not subject aliens of Hungarian, Rumanian and Bulgarian nationality to other restrictions upon conduct which currently affect German, Italian and Japanese alien enemies.

His statement further said:

"They are not, for example, required to obtain permission to travel, to turn over to police authorities such articles as shortwave radios, cameras and firearms or to obtain certificates of identification.

"The Department of Justice believes that a vast majority of the approximately 113,000 Hungarians, 32,000 Rumanians and 4,500 Bulgarians in the United States are loyal to this country and that imposition of further restrictions upon them would be unfair and unnecessary."

The Attorney General is authorized to execute the regulations in continental United States, Puerto Rico and the Virgin Islands, while the Secretary of War is responsible for enforcement in Alaska, the Canal Zone, the Hawaiian Islands and the Philippine Islands.

The Congressional resolution declaring war on these three countries was referred to in these columns June 11, page 2212.

Farm Product Buying High

Farm products approaching a value of $1,500,000,000 have been purchased for Lend-Lease and other requirements in the last 15½ months, the Department of Agriculture reported on July 16.

Since March 15, 1941, when the Agricultural Marketing Administration started its expanded buying program, purchases through June 30, 1942, have totaled $1,396,182,224. For June, they amounted to $161,449,248, an average of more than $5,000,000 daily.

The Department's announcement further said:

"In June, as in previous months, dairy products and eggs and meat products led the list of commodities bought both in volume and cost. Particularly heavy purchases were made of canned and cured pork meat, lard, frozen pork loins, cheese, dry skim milk, evaporated milk, dried eggs, cornstarch, white flour, biscuits (hardbread), canned fish, salad oil, baled cotton and tobacco. The larger purchases included 111,044,563 pounds of canned pork at an f.o.b. cost of $42,566,438; 75,932,350 pounds of cured pork at $14,212,034; 40,844,949 pounds of cheese at $9,009,364; 39,075,300 pounds of dry skim milk at $4,900,160; 22,200,080 pounds of dried eggs at $23,113,150; 4,178,750 cases of evaporated milk at $13,273,775; and 26,474,000 pounds of salad oil at $3,479,977.

"Supplies purchased in June for the first time included grapefruit oil, wheat cereal, cottonseed pellets, riboflavin, vanilla bean, rendered pork fat, synthetic fruit extract, acetic acid, baking powder, gelatin dessert powder, calves feet jelly, dry milk powder mixture A, custard powder, and laundry starch."

Contracts Set For Texas-Illinois Pipeline

Petroleum Coordinator Ickes announced on July 18 the award of contracts totaling $35,000,000 to seven companies for construction of a 550-mile oil pipe line from Longview, Texas, to Norris City, Ill., with two smaller branch lines from Norris City to Mount Vernon, Ind., and Enfield, Ill.

In Associated Press accounts, the following was reported:

"Contracts for the 24-inch main line—the world's largest oil-carrying pipe line—were awarded on a cost plus fixed fee basis, according to B. E. Hull, general manager of War Emergency Pipeline, Inc., a company organized by the oil industry to supervise the construction. The fees average about $1,000 for each mile of pipe.

"The line is expected to deliver 300,000 barrels of crude oil daily at Norris City. About 120,000 barrels will be carried to Mount Vernon, Ind., for barge shipment east; about 50,000 will remain in the Middle West to offset declining production in Southern Illinois oil fields, and the remainder will go to the Eastern shortage area by pipeline and tank car.

"The line is being financed by the government through the Defense Plant Corporation, a subsidiary of Reconstruction Finance Corporation."

Approval of the pipeline by the War Production Board was reported in these columns of June 18, page 2310.

Controllers Proceeding With Convention Plans

Because solution of controllership problems is helpful to the prosecution of the war, the Controllers Institute of America is proceeding with plans for its annual meeting, to be held at The Palmer House, Chicago, Sept. 21 to 23. Already scheduled for the conference is a full day's discussion of Federal taxes, in which Treasury Department experts, a member of the House Ways and Means Committee and leading tax consultants will participate, along with the heads of tax departments of large corporations.

"Cooperation with the War Program" and "Post-War Controllership Problems" will both be treated in full-length general sessions. Other war-related subjects will be considered in group meetings. E. W. Burbott of the A. B. Dick Co., Chicago, is convention chairman, and Frank L. King of the Continental Illinois National Bank & Trust Co., Chicago, is chairman of the program committee.

"While some conventions must be deferred because their purely social nature conflicts with the war effort, the type of meeting we will hold in Chicago is essential to the prosecution of the war," said Arthur R. Tucker, managing director of the Institute. "The war problems of controllers have an important bearing on the success of the production campaign. Contacts between Government and business concerns are eased and expedited by such meetings. Compliance with Government regulations is facilitated by these discussions, thus lessening the burden on Government departments as well as on business concerns engaged in war production."

Leigh Gets FCC Post

The Federal Communications Commission announces the appointment of Robert Devore Leigh as Director of its Foreign Broadcast Monitoring Service to fill the vacancy due to entrance into the Army of Lloyd A. Free. Mr. Leigh will be in active charge of supervising the translating, digesting, and analysis of foreign short-wave broadcasts, monitored by the FCC for the official use of the United States Government. Mr. Leigh, a special adviser on education, social services and research for the National Resources Planning Board, was the first and organizing President (1928-41) of Bennington College, at Bennington, Vt.

U. S.-Argentine Trade Pact

A report entitled "Trade Agreement Between the United States and Argentina" was issued by the United States Tariff Commission on July 20. The material presented in the report has been drawn from the detailed data made available by the Tariff Commission, prior to and during the negotiations with Argentina, to the interdepartmental body charged with carrying out the trade agreements program. The agreement with Argentina has been in effect since Nov. 15, 1941. The Tariff Commission's announcement says:

"The body of the report consists of digests of trade data relating to the commodities with respect to which the United States granted tariff concessions in the agreement with Argentina. The digests show for each commodity the old and new rate of duty, statistics of production, imports and exports, and a brief analysis of the factors that affect international trade, particularly that between the United States and Argentina.

"The introduction gives a detailed analysis of the agreement, showing the individual tariff concessions granted by the two countries, and the volume of trade affected thereby. It also contains a general discussion of Argentina's foreign trade in recent years with particular reference to the United States. The text of the agreement is included in an appendix to the report."

Copies of the document may be obtained from the United States Tariff Commission, Washington, D. C.

U. S.-Uruguay Trade Treaty

A reciprocal trade agreement between the United States and Uruguay was signed in Montevideo on July 21 the State Department announced in Washington.

The agreement provides for tariff concessions that cover a substantial portion of the normal trade between the two countries; binding of certain tariff votes against increases; and bindings of specified commodities free of duty. In Washington advices to the New York "Times" the following was reported:

"Uruguayan tariff concessions are agreed to on a long list of United States agricultural and industrial products. Uruguayan import charges are reduced on 81 items and existing import charges are bound on 47 items. Duty-free status is bound on 13 items.

"Among the items affected are fruits and nuts, canned fish, cigarettes and tobacco, automobiles, electrical equipment, automatic refrigerators, agricultural machinery, chemicals and related products.

"The United States grants concessions on dutiable commodities such as flaxseed, certain prepared or preserved meats — principally canned corned beef, casein, bovine hides and skins, and certain coarse wools. Commodities bound on the free list include unmanufactured agates, dried blood, crude bones, bone dust, meal and ash, animal carbon for fertilizer and sausage casings.

"United States exports to Uruguay in 1940 were valued at $11,126,000, while imports from that country amounted to $17,009,000.

Pa. & Del. Factory Activity At Record

Factory activity in Pennsylvania advanced to record levels in June, as the production of war materials continued to expand, the Federal Reserve Bank of Philadelphia announced on July 18. Reports received from 2,844 manufacturing establishments, said the advices, showed gains over May of 1% in employment, 2% in payrolls, and 1% in total employee-hours worked, instead of the declines usual at this season. It is added that estimated employment in the State reached a new high of 1,177,000 workers and weekly wage disbursements, approximately $40,800,000. In the two years of defense and war activity, employment has risen 33%, payrolls 87%, and total hours worked 64%.

The Reserve Bank also reported:

"Activity also expanded at reporting factories in Delaware. Employment increased 4% from May to June; mixed changes were shown in payrolls, but total wage disbursements were up 3% in the month and total employee-hours worked increased 2%. In comparison with a year earlier, gains of 17% in employment and 41% in wage payments were reported."

Labor Department Reports On Factory Workers' Hours And Earnings During May

The average hourly earnings of wage earners in manufacturing industries rose 1.5% from April to May, Secretary of Labor Frances Perkins reported on July 19. "The May average of 83.1 cents per hour was 14.5% higher than a year ago," she said, and added: "The increase over the month and year intervals was due in part to wage-rate increases, in part to more extensive use of overtime, and in part to an expansion of working forces in industries where relatively high wage scales prevail."

Secretary Perkins further reported:

"Wage earners in the durable-goods group of manufacturing industries averaged 92.3 cents per hour in May, a gain of 1.5% since April and 14.6% since May of last year. Workers in non-durable-goods industries averaged 72.2 cents an hour in May, 1.1% more than in the preceding month and 12.6% above a year ago.

"Wage-rate increases were reported by about 1,300 manufacturing plants out of a reporting sample of approximately 34,000. The increases in these 1,300 establishments averaged 8.3% and affected about 352,000 workers of the 8,000,000 covered by the survey. As in the preceding month, the larger proportion of workers receiving wage increases was in non-durable-goods industries (205,000). Among the industries in which substantial numbers of wage earners were given wage increases in May were cotton goods (39,442), men's clothing (30,818), foundry and machine-shop products (19,140), aircraft (14,559), machine tools (14,258), woolen and worsted goods (14,078), and paper and pulp (13,948).

"An increase of 0.5% between April and May raised the average hours worked per week in all manufacturing industries combined to 42.6, which was 5.0% higher than a year ago. The average for the durable-goods group (45.0) was 0.5% higher than in the preceding month and 6.3 above a year ago, while for the non-durable-goods group (39.7) the gains were 0.3% and 2.6%, respectively. Of the 43 durable goods industries only three averaged less than 40 hours per week, while 22 were more than 44 hours. One of these, machine tools, had an average work week of 54.1 hours, reflecting a high rate of war production. Five other durable goods industries showed work-weeks of more than 50 hours, namely, machine tool accessories (55.1), metal working machinery not elsewhere classified (55.2), pumps (52.9), screw-machine products (50.2), and sewing machines (50.1).

"The average weekly earnings ($37.40) of workers in all manufacturing industries combined were 2.0% more than in April and 21.2% higher than a year ago as a result of increased hours and higher average hourly earnings. Workers in the durable-goods industries averaged $43.33 per week in contrast to an average of $28.34 for workers in the non-durable-goods group. The gains over the year were 22.6% and 15.7%, respectively.

"Anthracite mining was the only one of the non-manufacturing industries surveyed which showed a decrease in average hourly earnings between April and May (0.4%). Over the year interval, however, there was a gain of 7.4%. The largest percentage gains over the month and year (2.3 and 13.5, respectively) were noted in the quarrying and non-metallic mining industry.

"The average hours worked per week in anthracite mining (34.8) increased by 14.1% over April and 48.8% over May of last year, indicating more nearly normal operations. Bituminous coal miners averaged 32.8 hours per week, a gain of 3.0% over the month and 7.3% over the year. Workers engaged in metal mining and quarrying and non-metallic mining averaged nearly 44 hours per week in May, with gains of 0.9 and 2.0%, respectively, since April and 5.2% and 2.3%, respectively, since May, 1941. In private building construction the average weekly hours climbed 3.3% over the month and 4.6% over the year to 36.7%. The changes in hours worked per week in the remaining non-manufacturing industries covered were negligible. Average weekly earnings followed the pattern set by the average weekly hours and hourly earnings."

The Department's advices added that it should be noted that plants converted to war production are continued under their former peace-time industry classification.

Real Estate Boards Study Rent Control

Outlining a program through which it expects to help meet the problems of rent control and to help make war-time rent stabilization practicable and workable the National Association of Real Estate Boards of Chicago on July 15 assured OPA officials that Realtors throughout the country will cooperate with the Rent Control Division of OPA to administer the rent control law effectively and equitable.

Following discussion with Paul A. Porter, Deputy Adminstrator of OPA in charge of the Rent Control Division, and Karl Borders, Director of the Division, the Association through the Realtors Washington Committee made it clear that the Realtors support to the fullest the effort of Federal Government to prevent inflation and any act of the Government that is a component part of sound economic war policy. It is announced that the Committee proposes:

1. To analyze the factors involved in establishing the maximum rent dates chosen for the defense rental areas already named. (If actual proven data would indicate that the date chosen for the freezing rents for any particular community was unfair and unequitable, effort will be made by the OPA to modify this action.)

2. Seek warranted rent adjustment where operating expenditure have materially increased in rental defense areas.

3. Assemble representative data on the increased cost of operation and management of property of different rental classifications in an effort to maintain on a sound basis the proper operation of all classes of properties.

4. Present to the Rent Control Division recommended amendments to the regulation.

5. Act as a clearing house for information to Realtors.

6. Cooperate with the Rent Control Division to obtain competent, unprejudiced local rent control directors.

To Hold Perpetrators Of Nazi Crimes Accountable

President Roosevelt on July 21 declared that the American people will hold the perpetrators of Nazi crimes to "strict accountability in the day of reckoning which will surely come." The President made this statement in a message read to 20,000 persons gathered in Madison Square Garden, New York City, for a mass demonstration against Hitler atrocities and as an expression of the Jewish people's determination to make every sacrific for victory over the Axis powers.

Other messages of greeting came from Prime Minister Winston Churchill and Wendell Willkie.

Mr. Roosevelt's message, read to the meeting by Dr. Stephen S. Wise, President of the American Jewish Congress, follows:

"Americans who love justice and hate oppression will hail the solemn commemoration in Madison Square Garden as an expression of the determination of the Jewish people to make every sacrifice for victory over the Axis powers. Citizens, regardless of religious allegiance, will share in the sorrow of our Jewish fellow-citizens over the savagery of the Nazis against their helpless victims. The Nazis will not succeed in exterminating their victims any more than they will succeed in enslaving mankind. The American people not only sympathize with all victims of Nazi crimes but will hold the perpetrators of these crimes to strict accountability in a day of reckoning which will surely come."

"I express the confident hope that the Atlantic Charter and the just world order to be made possible by the triumph of the United Nations will bring the Jews and oppressed people in all lands the four freedoms which Christian and Jewish teachings have largely inspired."

Governor Lehman, and Mayor La Guardia were among the speakers.

Women's Navy Reserve

Legislation establishing a women's auxiliary reserve in the Navy was completed in Congress on July 21 and sent to the White House. Final action came when the House adopted a conference report which the Senate had accepted on July 17.

The Women's Reserve, to be an integral part of the Navy, will take the place of regular navy personnel in non-combatant shore posts within the United States. The members of the unit will receive the same pay as the corresponding rank provides for the men in the Navy. Women between the ages of 20 and 50 are eligible for service.

The House originally passed the bill on April 16, but the Senate on July 2 passed its own version thus requiring the measure to be adjusted in conference.

Leahy Aide To FDR

President Roosevelt announced on July 21 that Admiral William D. Leahy has been assigned to active duty to be chief of staff to the Commander in Chief. Admiral Leahy returned from France in June where he had served as U. S. Ambassador to the Vichy Government, having been called home following the return to power of Pierre Laval. The new duties of Admiral Leahy, who was formerly Chief of Naval Operations, were not made specific by the President but he pointed out that as Commander in Chief he had to devote considerable time reading all kinds of documents and reports and that Admiral Leahy could relieve him of these tasks because of his past experience and because he had confidence in his judgment.

New Legislation On Deposits of U. S. Funds

Attention to the recent Congressional legislation removing discrimination against certain banks on the deposit of funds subject to the control of the United States is directed by the New York State Bankers' Association in its weekly publication, issued July 20. It is noted that the Association's reference thereto is prompted by inquiries it has had relative to the legislation, which is embodied in the bill (S. 2250) setting up the Smaller War Plants Corporation within the War Production Board. The bill (the Murray bill) was signed by the President on June 11, and it is pertinent to note that the provision in question appeared to attract little or no attenion during the Congressional action on the measure. It is noted in the State bankers' organ ("The New York State Banker") that the provision prohibits those having to do with the deposit, custody or advance of Federal funds from showing preference for National banks, State member banks of the Federal Reserve System against insured State banks not members of the Reserve System. The Section (No. 10) covering this situation in the Act creating the Smaller War Plants Corporation is given as follows in the "New York State Banker":

"Sec. 10. All insured banks designated for that purpose by the Secretary of the Treasury shall be depositaries of public money of the United States (including, without being limited to, revenues and funds of the United States, and any funds the deposit of which is subject to the control or regulation of the United States or any of its officers, agents, or employees, and Postal Savings funds), and the Secretary is hereby authorized to deposit public money in such depositaries, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government as may be required of them. The Secretary of the Treasury shall require of the insured banks thus designated satisfactory security by the deposit of United States bonds or otherwise, for the safekeeping and prompt payment of public money deposited with them and for the faithful performance of their duties as financial agents of the Government: **Provided**, That no such security shall be required for the safekeeping and prompt payment of such parts of the deposits of the public money in such banks as are insured deposits and each officer, employee or agent of the United States having official custody of public funds and lawfully depositing the same in an insured bank shall, for the purpose of determining the amount of the insured deposits, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee or agent of the United States having official custody of public funds and lawfully depositing the same in the same insured bank in custodial capacity. Notwithstanding any other provision of law, no department, board, agency, instrumentality, officer, employee, or agent of the United States shall issue or permit to continue in effect any regulations, rulings, or instructions, or enter into or approve any contracts or perform any other acts having to do with the deposit, disbursement, or expenditure of public funds, or the deposit, custody, or advance of funds subject to the control of the United States as trustee or otherwise which shall discriminate against or prefer national banking associations, State banks members of the Federal Reserve System, by class, or which shall members of the Federal Reserve System, by class, or which shall require those enjoying the benefits, directly or indirectly, of disbursed public funds so to discriminate. All Acts or parts thereof in conflict herewith are hereby repealed. The terms 'insured bank' and 'insured deposit' as used in this Act shall be construed according to the definitions of such terms in the Act of Aug. 23, 1935 (49 Stat. 684), as amended (U. S. C., title 12, sec. 264)."

The bill providing for the establishment of the Smaller War Plants Corporation was passed by the Senate on April 1; it was amended and passed by the House on May 26; the House adopted the conference report on June 3, while the Senate accepted the report on June 4. References to the bill appeared in these columns April 9, page 1448; June 4, page 2125; June 11, page 2216, and June 18, page 2301.

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Tomorrow's Markets Walter Whyte Says—

(Continued from page 269)

be silly not to take advantage of any immediate opportunities that present themselves. For example the motors, Chrysler and General, look about 3 points higher; American Telephone also. Then the mail orders, Sears and Montgomery Ward are beginning to get into stride. Even a few specialties are acting well enough to attract more than casual attention. All these are not signals of immediate reaction. They are signs of more strength even though the subsequent reaction may be that much greater.

* * *

Among the stocks I think the more enterprising might take a position in are the following: Crane, to buy between 12 and 13, stop at 10. Indicated move to about 16. The coal group shows signs of life with Lehigh Coal in the forefront. A low priced stock that shows something now is Pittston Corp., selling at about 1¾. A move to about 3 is indicated. Of course any advance of say a point or so is nothing to get excited about but if you measure it by percentages, a 100% is nothing to snicker at. By the way, if it is background you want, take a look at Pittston's holdings. They include U. S. Distributing which has already had quite a jump in market value without any compensating advance in the price of the parent company's stock.

* * *

Before you get all hopped up about this or any other stock recommended here remember that advice given is based entirely on market action, not fundamentals. And what applies today may not apply tomorrow. And in a stock like Pittston its price makes any reasonable stop impossible to determine. So be guided accordingly.

* * *

Where the other stocks in your list are concerned, the advice given last week still holds good. Take profits when they reach the prices given and keep your stops in toto.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

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ABA Will Publish "Convention In Print"

The American Bankers Association plans to publish in September a "Convention in Print" issue of its magazine, "Banking," presenting discussions on subjects that might have been considered at its annual convention, now cancelled in view of wartime transportation needs. The issue will include articles on the earnings outlook, war credit problems, man power problems, the merchandising of war bonds, wartime public relations, government competition, trust problems, real estate, taxation, advertising and public relations, savings bank problems, war risk insurance, priorities and equipment, and agricultural credit. It is expected that some of the subjects discussed will be treated in panel form. Plans are being pressed for the development of material from many sources that will serve the purpose of giving the members of the ABA up-to-date information on most of the problems growing out of wartime conditions and service that now challenge and will challenge banks.

Among those scheduled to contribute articles to this special issue are: W. Randolph Burgess, Vice Chairman of the National City Bank of New York, and Chairman of the ABA Economic Policy Commission; Mark Brown, Vice President of the Harris Trust and Savings Bank, Chicago, who was recently financial consultant to the War Production Board; Joseph B. Eastman, Director of Defense Transportation; Marcus Nadler, professor of finance, New York University, and assistant director, Institute of International Finance, New York; Henry W. Koeneke, President of the ABA and W. L. Hemingway, First Vice President of the Association.

Mr. Eastman is expected to write on transportation problems in wartime, Mr. Burgess, on Treasury financing and the banking system, Mr. Brown, on financing war production, Dr. Nadler, on investments in wartime.

Cancellation of the ABA convention which had been scheduled for Sept. 28-30 in Detroit was noted in these columns June 26, page 2386.

RFC To Pay Increased Oil Transport Cost

The Defense Supplies Corporation, a subsidiary of the Reconstruction Finance Corp., will absorb the increased cost of transporting and distributing petroleum products in the Eastern States served by pipelines, Secretary of Commerce Jones announced on July 15. In making this decision, Secretary Jones said it was necessary "in order that fuel oil and other petroleum products necessary to the war effort and to the civilian economy may as far as possible be made available this Fall and Winter in States of the Eastern seaboard." He added:

"Unless the petroleum can be moved, obviously the necessary maximum production cannot be maintained and not only will the civilian population suffer from a lack of fuel oil to heat their homes this winter, but the great amount of war production in this section will be seriously retarded."

The Office of Price Administration recently allowed a 2½ cents a gallon increase in the price of gasoline and a 2 cents raise in a gallon of fuel oil in 17 Eastern States and the District of Columbia in order to finance the increased transportation costs; referred to in these columns July 9, page 113.

This brought protests from Congressional members and led to the inclusion in the OPA appropriation bill of an amendment aimed at eliminating the increase. Senator Russell (D., Ga.) sponsor of this proposal withdrew his motion after receiving Secretary Jones' assurance that the DSC would pay the increased cost.

N. Y. Bankers Ass'n Appoints Chairmen

Appointments to the seven standing committees of the New York State Bankers Association were announced on July 22 by John P. Myers, President. Mr. Myers is President of the Plattsburg National Bank & Trust Co. of Plattsburg, N. Y. The Chairmen of the Committees follow:

Agriculture: Nicholas Jamba, Manager, Agricultural Dept., National Bank & Trust Co., Norwich.

Bank Management & Research: Robert C. Tait, Vice President, Genesee Valley Trust Co., Rochester.

Convention: Robert E. Wilson, Vice President, Osborne Trust Co., East Hampton.

County Organization: Stanley A. Neilson, President, Bank of Gowanda, Gowanda.

Legislation: F. E. Worden, President, National Bank of Auburn.

Public Relations: E. M. Carney, Public Relations Counsel, Mount Vernon Trust Co., Mount Vernon.

Trust Functions: John A. Burns, Vice President, Chase National Bank, New York City.

House Votes End Of Fees On Govt. Contracts

The House on July 20 passed a bill prohibiting the payment of contingent fees for services in connection with the procurement of Government contracts. The measure would make the payment or acceptance of fees for obtaining Government contracts punishable by a $5,000 fine or five years imprisonment or both.

The legislation was prompted, it is stated, by disclosures made before the House Naval Affairs Investigating Committee of exorbitant payments to certain "business agents."

Representative Vinson (Dem., Ga.), Chairman of the Naval Affairs Committee, sponsored the bill, which originally applied only to Navy contracts. In calling for its enactment, Representative Vinson said that the object and purpose of the bill "is to abolish for once and for all this iniquitous practice that has grown up in reference to Government contracts, where manufacturers' agents get a commission on the amount of business they obtain."

Calif. Business Up

California business activity during June registered a slight gain over the preceding month as the State's war industries continued to expand and the current agricultural season approached its peak, says the current issue of the "Business Outlook" of Wells Fargo Bank & Union Trust Co. of San Francisco. The bank's index of California business stood at a preliminary June figure of 194.2% of the 1935-39 average, as compared with a revised May 1942 level of 193.9, and with 154.3 in June of last year.

Phillips In London Post

William Phillips, former United States Ambassador to Italy, arrived in London on July 21 to take up his new duties as director of the Office of Strategic Services in the British capital. This agency, headed by Col. William J. Donovan, operates under the supervision of the United States Joint Chiefs of Staff and its functions consist of collecting secret and strategic information in foreign countries and performing general miscellaneous strategic services abroad.

UP-TOWN AFTER 3

THE MOVIES

The big hoop-la in New York last week was the first showing of Sam Goldwyn's movie of Lou Gehrig's life, **"Pride of the Yankees."** It tells of his childhood on the streets and sandlots of upper Manhattan; deals with his parents, a stern mother and a henpecked father; his student days at Columbia; his career in professional baseball; his marriage and finally the fatal illness that forced his departure from the game which made him famous. As a simple little story of a shy young man who led an exemplary life and flouted his mother's wishes to give up the study of engineering and become baseball's Iron Man, then flouted them again when he married, it is a good enough yarn. As a saga of the national game which reached such heights with its Larruping Lou, Babe Ruth and the rest of the Yankee's Murderer's Roy, it falls considerably short of being even fair. For despite the fact that it deals with a young man to whom baseball was everything, the game itself is barely touched on. There are long shots of Gary Cooper, who plays Gehrig, taking cuts at the plate, and fielding the ball. But practically all of these are no more exciting than newsreel scenes. For a biography of a man who made his mark on the diamond surprisingly little footage is devoted to baseball. Cooper does a good job particularly in the few dramatic scenes. Teresa Wright, as his wife, is splendid. Walter Brennan, as the sports writer, is convincing, though for a hard-boiled sports writer to be a hero worshipper seems far fetched. The ball players, Babe Ruth, Bill Dickey, Bob Meusel and Yankee Manager Joe McCarthy do well what little they have to do. The cast is adequate but the story itself lacks suspense. There are few dramatic moments to hold one's interest. Put "Pride of the Yankees" down as just a fair movie. It is by no means a great one. . . . **"Crossroads,"** with William Powell and Hedy Lamarr heading an excellent cast, is a remake of a French picture that played here some years ago. But what was good melodrama then is just namby-pamby stuff today. The story deals with amnesia and how it affects the career of a promising young man in the French diplomatic service. It seems that an accident wiped out the memory of the young man, William Powell, who has since risen to an important post in France. A group of blackmailers, led by Basil Rathbone, try to capitalize on this blank. How they are duped and finally captured and how Powell, assisted by his wife, Hedy Lamarr, manage it is the crux of the story. The acting is good, direction adequate but the story itself is dull and dated so much it fairly shrieks. . . . **"The Gay Sisters,"** with a cast headed by Barbara Stanwyck, George Brent, Geraldine Fitzgerald and Donald Crisp, is Warner's contribution to this summer's ennui. I understand the book, from which this was taken, was quite a book but either the Hays office or the studio stepped in and made changes, for the "Gay Sisters" has little to get excited about. It's a yarn about the Gaylord family, rich in New York real estate. The father dies and the family now consists of three sisters whose peccadilos earn them the newspaper name of Gay Sisters. The father leaves a sizable estate but court orders and legal fees caused by litigation by a charitable institution which is co-beneficiary tie up the estate so that the sisters are reduced to genteel poverty. The villain in the piece is George Brent, who is out to get Miss Stanwyck. It seems that some years back Miss Stanwyck was to get a small legacy if she married so she meets a country bumpkin, marries him and plans to run away immediately after the ceremony. She runs away alright but not before the husband has, what in polite society is called "his way." Turns out that it is this country boy, now a utilities magnate, who is behind the legal shenanigans. In one scene Miss Stanwyck remarks "This room stinks from apple blossoms." That sums up the picture except it isn't from apple blossoms.

AROUND THE TOWN

The Holland House Taverne, one of Radio City's many restaurants, is a grand place on these hot days. Its air conditioning makes you forget the broiling streets. But its food, all Dutch, makes solid nourishment, even in these dog days, a pleasure to contemplate. The menu, however, is full of those jaw-breaking names you can't even pronounce let alone understand. So better ask Miss Agnes, a converted school ma'rm, who incidentally isn't at all bad to look at, to help out. . . . **The Penthouse Club's** supper entertainment program has received a decided lift with the addition of **Harold Willard's** rousing baritone voice. When he lets loose with Irish ballads there isn't a dry eye in the house. **Paul Taubman,** between his chores selling Ivory Snow (he plays the piano on the Procter & Gamble Shirley Temple program), continues with his piano tinkling, a fine accompaniment to the tinkling of ice in a tall glass. Makes it very nice, too. Incidentally, if you want to know about horses ask **Dominique,** the Penthouse headwaiter. His picking is uncanny (I'm only out ten bucks). . . .

Restricts Silver Imports

The War Production Board on July 21 placed silver on its restricted imports list and prohibited private importers from making any new contracts for importation of the metal except by special authorization. Covered by the order are silver bullion, ore, concentrate, compounds, coins and semi-processed items. Government agencies are not restricted by the order, nor are existing private contracts.

It is said that the action is designed to direct all available silver into the war program. The WPB order is expected to materially affect the jewelry trade, which has recently been importing large stocks of Mexican silver.

The Penthouse Club
30 CENTRAL PARK SOUTH
Adjoining The Plaza

A most unique restaurant in a beautiful location, overlooking Central Park to the north.

Serving best food, skilfully prepared.

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Telephone PLaza 3-6910

Calendar of New Security Flotations

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SUNDAY, JULY 26

ELLICOTT DRUG CO.

Ellicott Drug Co. filed a registration statement with the SEC for $350,000 6% debentures, due June 30, 1957.

Address—120 Cherry Street, Buffalo, New York

Business — Company is a cooperative wholesale drug company, selling to its members only, all of whom are retail druggists.

Proceeds — $250,000 of the debentures will be presently issued. Approximately $120,000 of this amount will be issued to replace the outstanding 6% preferred stock which is being eliminated. Approximately $48,000 additional will be issued to retire buying privilege deposits with the company The balance, approximately $78,500 after expenses, will become additional working capital

Offering—The new debentures will be priced at 100 and accrued interest

Registration Statement No. 2-5026. Form A-2. (7-7-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

CALIFORNIA UNION INSURANCE CO.

California Union Insurance Co. filed a registration statement with the SEC for 29,659 shares common stock, $10 par value

Address—San Francisco, Calif.

Business—Engaged in the underwriting of fire, automobile and other forms of insurance

Underwriting—Paul H. Watson is named principal underwriter; Don B. Wentworth may be an underwriter

Offering—The common stock registered will be offered to the public at a price of $22 per share

Proceeds will be used for additions to capital and surplus

Registration Statement No. 2-4992. Form A-1 (4-30-42 San Francisco)

Registration effective 1 p.m. ESWT on June 6, 1942.

CAMILLA CANADIAN MINING CORP., LTD.

Camilla Canadian Mining Corp., Ltd. filed a registration statement with the SEC covering 500,000 shares of capital stock, par value $1 per share

Address—Toronto, Ont.

Business—Mining and milling

Underwriting—Enyart Van Camp & Co., Chicago, underwriter

Offering—Offering price is 25 cents per share, U. S. funds

Purpose—For development, exploration, equipment, milling plant and working capital

Registration Statement No. 2-5013. Form S-3. (6-15-42)

Amendment filed July 2, 1942, to defer effective date

CENTRAL MAINE POWER CO.

Central Maine Power Co. filed a registration statement with SEC for $14,500,000 first and general mortgage bonds, Series M, maturing July 1, 1972; $5,000,000 ten-year serial notes, maturing serially on July 1 from 1943 to 1952, and 261,910 shares of common stock, par value $10 per share.

Address—9 Green Street, Augusta, Maine

Business—Company is an operating public utility and engages in the electric, gas and water business, entirely within the State of Maine

Underwriting—The bonds and the notes will be sold under the competitive bidding rule of the Commission. Names of underwriters and amounts and offering price to public will be supplied by amendment

Offering—Public offering price of the bonds and notes will be supplied by amendment. The 261,910 shares of common are first to be offered to the holders of the company's outstanding common stock and 6% preferred stock for subscription at $10 per share in accordance with their preemptive rights. New England Public Service Co. has subscribed for and agreed to take the 261,910 shares, less any shares as may be subscribed for by stockholders, and to pay therefor in cash at $10 per share provided the proposed merger becomes effective

Proceeds—Statement says that prior to the issue of the securities now registered, Cumberland County Power & Light Co., a public utility incorporated in Maine in 1909, will be merged into the company and Central Maine will thereupon acquire, pursuant to an agreement of merger, the business and all the rights, powers, etc., of Cumberland. After the merger has become effective, the business of the company will include also the business, franchises and properties of Cumberland, the separate existence of which will have ceased

Net proceeds from the financing in accordance with the merger plan recently filed with the commission will be used as follows:

Net proceeds of the series M bonds will be used to pay principal and premium in the redemption at 105% on Oct. 1, 1942, of $1,494,000 face amount of first mortgage, 4% series, due 1960, of Cumberland Power, $1,538,060; to pay principal and premium in the redemption at 105½% on a date in 1942 to be announced of $9,275,000 face amount first mortgage bonds, 3½% series, due 1966 of Cumberland County $9,784,348 and to pay bank loans made by the company which were incurred for the purchase and construction of facilities $2,650,000.

Net proceeds of the serial notes and the common stock will be used to pay par and premium in the redemption on a date to be fixed in 1942 of an unspecifed number of shares of 6% preferred stock and an unspecified number of shares of 5½% preferred stock of Cumberland County at 130% and 110%, respectively, all of which shares are to be called for redemption by Cumberland County prior to the proposed merger and converted under the agreement of merger into an obligation of the company to deposit the redemption price thereof in trust for the holders of such shares. The amount to be utilized in such redemption will be supplied by amendment.

Additional net proceeds from the sale of serial notes and common stock will be used to acquire 300 shares of the common stock and $6,000 face amount of 5% debentures of Aug. 1, 1936, due Aug. 1, 1956, of Nepsco Services. Inc., and 10 shares of common of Nepsco Appliance Finance Corp. $9,100 and to acquire all of the 650 outstanding shares of the no par capital stock of New England Pole & Treating Co. $110,000.

Balance of net proceeds of the series M bonds, the serial notes and common stock will be used to redeem at $120 per share or otherwise retire on or before Oct. 1, 1942, an unspecified number of shares of 7% preferred stock of the company and for the purchase and construction of facilities for the carrying out of the company's business.

Registration Statement No. 2-5024. Form A-2. (6-29-42)

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co. a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof: and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendment filed June 30, 1942, to defer effective date

Withdrawal request filed July 18, 1942

EASTERN COOPERATIVE WHOLESALE, INC.

Eastern Cooperative Wholesale, Inc., filed a registration statement with the SEC for $150,000 4% registered debenture bonds maturing July 1 of each year from 1944 to 1956, inclusive (exclusive of 1950). No more than $30,000 principal amount of said bonds shall mature in any one year

Address—135 Kent Ave., Brooklyn, N. Y.

Business—Wholesale dealer in groceries allied products, including, among other related activities, warehousing and packaging

Underwriting—No underwriter named

Offering—The securities are being sold by the Cooperative directly to its stockholders and friends interested in the cooperative movement without the interposition of any underwriter, dealer, broker or salesman, at 100. No commission will be paid to anyone in conjunction with such sale

Proceeds—Will be used to repay certain private loans and also to reduce certain accounts payable now outstanding for current merchandise, the balance to be used for working capital

Registration Statement No. 2-5002. Form S-2. (5-27-42)

Eastern Cooperative Wholesale, Inc., in an amendment filed July 1 to its registration statement, states that bonds maturing 1944-1956 exclusive of 1950 and maturity date to be specified on face of each bond $50,000 is maximum principal amount which shall mature in 1944 and $30,000 is maximum principal amount which shall mature in any one of the other years.

Amendment filed June 29, 1942, to defer effective date

EMPIRE GAS & FUEL CO.

Empire Gas & Fuel Co. has filed a registration statement with SEC for $21,534,800 3½% sinking fund debentures, due Jan. 1, 1962

Address—One Exchange Place, Jersey City, New Jersey

Business—Company owns securities of subsidiary and other companies together primarily engaged in substantially all phases of the petroleum and natural gas businesses in the United States other than retail distribution of natural gas. The company is not an operating company

Underwriting—Company has entered into an agreement with The First Boston Corp. and Merrill Lynch, Pierce, Fenner & Beane, as dealer managers who have aided and are aiding in preparing the exchange offer and plan of recapitalization to form and manage a group of security dealers which shall include the dealer managers, for the purpose of obtaining agreement to exchange under the company's proposed exchange offer

Offering—Company is offering to the holders of its preferred stock (other than Cities Service Co.) the opportunity to exchange their preferred shares, with all dividend arrears thereon, for the 3½% sinking fund debentures now registered of an aggregate principal amount equal to the par value of their preferred shares and accumulated unpaid arrears thereon to Jan. 1, 1942. The basis of exchange per share of preferred stock, showing face amount of debentures to be received by each class of preferred stockholder follows: 8% cumulative $176.66; 7% cumulative $167.08; 6½% cumulative $162.29, and 6% cumulative $157.50

Proceeds—The debentures are to be offered for exchange to the preferred stockholders of the company.

Registration Statement No. 2-5025. Form A-2. (6-30-42)

EQUIPMENT FINANCE CORPORATION

Equipment Finance Corporation has filed a registration statement with the SEC for 5,000 shares of common stock, no par value

Address—Chicago, Ill.

Business—Short term financing etc.

Underwriting—No underwriter named

Offering—Issued prior to registration for cash and property 2,007 shares at $100 per share, and 2,993 shares are to be publicly offered at $100 per share

Proceeds—For trucks, land, building additions, improvements and garaging facilities

Registration Statement No. 2-5023. Form S-2. (6-27-42)

Amendment filed July 16, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956. and 140.000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed July 14, 1942, to defer effective date

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business — Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outstanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Amendment to defer effective date filed July 20, 1942

HONOLULU RAPID TRANSIT CO., LTD.

Honolulu Rapid Transit Co., Ltd., has filed a registration statement with the SEC for 75,000 shares of 6% cumulative convertible preferred stock, $10 par; and 75.000 shares common stock, $10 par, latter reserved for issuance on conversion of the preferred stock

Address—1140 Alspai St., Honolulu, Hawaii

Business—Company is a public utility engaged in providing urban transportation service to the city of Honolulu, rendered by trolley coaches and gasoline buses

Underwriting—None

Offering—The preferred stock is offered to company's common stockholders of record April 30, 1942, for subscription at $10 per share, on the basis of three shares of preferred stock for each five shares of common stock, to be evidenced by transferable warrants which expire May 29 1942. Such of the preferred stock not subscribed to on or before May 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share

Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000

Registration Statement No. 2-4973. Form S-2 (3-30-42)

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock. $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed July 13, 1942, to defer effective date

LONE STAR STEEL CO.

Lone Star Steel Co. filed registration statement with SEC for $500,000 5% debentures, due 1948; 1,000 warrents to purchase common stock; and 75,000 shares no par common stock

Address—Dallas, Texas

Business—Company is engaged in the manufacture of pig iron and steel

Underwriting — No underwriters are named in registration statement

Offering—The debentures will be offered to the public at 100; each $500 principal amount of the debentures will carry one warrant entitling the holder to purchase 25 shares of common stock of company, at $10 per share. Of the 75,000 shares common stock registered, 25,000 shares are reserved for issuance upon exercise of the warrants, and 50,000 shares will be offered to the public at $10 per share

Proceeds will be used for working capital purposes

Registration Statement No. 2-4997. Form S-2 (5-8-42)

Registration Statement effective 5:30 p.m. EWT on June 17, 1942

LUKENS STEEL CO.

Lukens Steel Co. filed a registration statement with the SEC for $2,200,000 4¾% sinking fund debentures due 1952

Address—Coatesville, Pa.

Business—Steel manufacturer

Proceeds—Payment of bank loan

Registration Statement No. 2-5003. Form A-2. (5-29-42)

In an amendment filed by the Lukens Steel Co. covering the registration of $2,200,000 4¾% sinking fund debentures the underwriters and the amounts to be purchased are given as follows:

Name	Amount
E. H. Rollins & Sons, Inc.	$874,000
Allen & Co.	600,000
Pistell, Wright & Co., Ltd.	186,000
Stroud & Co., Inc.	150,000
Graham, Parsons & Co.	100,000
Biddle, Whelen & Co.	100,000
Vallance & Co.	100,000
Boenning & Co.	50,000
Bond & Goodwin, Inc.	40,000

Offering price to the public will be 100 plus accrued interest from June 1, 1942.

THE MEAD CORPORATION

Mead Corporation filed a registration statement with the SEC 8,000 shares of $5.50 cumulative preferred stock, Series B, with warrants for the purchase of common stock (Series of 1937) attached; 8,000 warrants for the purchase of common stock (Series of 1937) attached to certificates for $5.50 cumulative preferred stock, Series B and 97,200 shares common stock, without par value

Address—Chillicothe, Ohio

Business—Present business in which the company and its subsidiaries are engaged consists of the manufacture and sale of products falling into three main groups, namely, white papers, chestnut corrugating and other paperboards, and wood and bark extracts for tanning

Proceeds — To acquire all outstanding stock of Escanaba Paper Co.

Underwriting—This offering is not being underwritten

Offering—The company offers to all holders of first preferred stock, irrespective of series, and all holders of common stock of Escanaba Paper Co. one-half share of the company's $5.50 cumulative preferred stock, Series B, with warrants for the purchase of common stock (Series of 1937) attached, and 4½ shares of the company's common stock, without par value, for each share of Escanaba preferred stock, and 1/10th share of the company's common stock, without par value, for each share of Escanaba common stock, in each case with all dividends paid or payable thereon during the period of the offer. Statement notes that 24,000 shares of the common stock registered will not be separately offered, but are reserved for issuance solely in satisfaction of the warrants for the purchase of common stock

Registration Statement No. 2-5019. Form A-2. (6-25-42)

Registration Statement effective 5:30 p.m. EWT on July 16, 1942

SONOCO PRODUCTS COMPANY

Sonoco Products Company filed a registration statement with the SEC for $1,000,000 serial debentures, $1,000 denominations, maturing serially, in amounts of $30,000 on July 1, 1943, and on first day of each July thereafter until and including July 1, 1966; the remaining $280,000 maturing July 1, 1967. Debentures of July 1, 1943, will bear interest of 1.5% and of July 1, 1944, 1.75%, with interest rate increasing fractionally on succeeding maturities and amounting to 4.25% on July 1, 1967, maturity

Address—Hartsville, S. C.

Business—Company is engaged in the manufacture and sale of paperboard, tissue paper, paper cones and tubes and other paper products, as well as in the manufacture and sale of impregnated and special tubes for the electrical and allied trades.

Underwriting—The names of the underwriters and the amounts underwritten are G. H. Crawford Co., Inc., Columbia, S. C.; R. S. Dickson & Co., Inc., Charlotte, N. C.; McAllister, Smith & Pate, Inc., Greenvile, S. C., and A. M. Law & Co., Spartanburg, S. C., each for $250,000

Offering—Offering price to the public will be at face value or principal amount thereof, plus accrued interest on the debentures from July 1, 1942

Proceeds—Of the proceeds $670,820 will be used for additional working capital and $294,350 for retirement of outstanding 5% cumulative preferred stock of registrant—of which $290,000 is outstanding—callable at 101½

Registration Statement No. 2-5021. Form A-2. (6-26-42)

Amendment filed July 15, 1942 to defer effective date

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc. (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is tne principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

Amendment filed July 17, 1942, to defer effective date

STANDARD AIRCRAFT PRODUCTS, INC.

Standard Aircraft Products, Inc., filed a registration statement with the SEC covering $300,000 5½% convertible serial and sinking fund debentures, due 1943-1947

Address—Dayton, Ohio

Business—Company manufactures and develops aircraft products, etc.

Offering—The 1943 maturity ($48,105) will be offered to the public at 100. The other maturities will be offered in exchange for 33,586 shares ($7.50 par) 40 cents cumulative preferred stock on a par for par basis as follows: debentures maturing 1944, $62,000; debentures maturing 1945. $62,000; debentures maturing 1946, $62,000; and debentures maturing 1947, $65,895

Underwriting—The debentures aggregating $251,895 may be sold through underwriter at 100. R. N. Webster, President, has agreed to sell through underwriter the $190,537 debentures he has agreed to exchange for his 25,405 shares of preferred stock. G. Brashears & Co. is named principal underwriter. R. N. Webster may be an underwriter

Proceeds of $48,105 (1943 maturity) will be used for working capital

Registration Statement No. 2-4988. Form A-1. (Filed in San Francisco 4-20-42)

Standard Aircraft Products, Inc., has filed an amendment to its registration statement which modifies the offering terms of the statement as originally filed. The 1943 maturity ($48,105) will be offered to the public at 100.50. The other maturities will be offered in exchange for

33,586 shares of $7.50 par 40 cents cumulative preferred stock on a par for par basis, and may be resold through underwriters as follows: 1944 maturity at 100; 1945 maturity at 99.50, 1946 maturity at 99.00 and 1947 maturity at 98.00

Amendment filed July 17, 1942, to defer effective date

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. **Form A2** (2-2-42)

Union Electric Co. of Missouri, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed July 6, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3[illegible] for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendment filed July 6, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form **A-2** (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed July 17, 1942, to defer effective date

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed **a registration statement with the SEC for 453,691 shares** of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., in dissolution to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923. Form A2 (12-29-41)

Amendment filed April 21, 1942, to defer effective date

Urges League Of Americas

Establishment of a League of American Nations was advocated on July 20 by President-elect Alfonso Lopez of Colombia in a speech in New York.

Speaking at a dinner in his honor and in celebration of the 132nd anniversary of Colombia's independence, Dr. Lopez recalled that his country had proposed formation of such a League several years ago but that no attempts to organize it have since been made. He further said that he was reviving the idea now because there is at this time more need for such an organization.

Dr. Lopez is visiting this country at the invitation of President Roosevelt, with whom he recently concluded a series of conferences. He will become President of Colombia for a second time in August, having previously served from 1934 to 1938.

In welcoming Dr. Lopez to Washington on July 10, Secretary of State Hull praised the Republic of Colombia for its effective co-operation in inter-American affairs and in the maintenance of the security of the Western Hemisphere.

Speaking at a special meeting of the Governing Board of the Pan-American Union, the Secretary lauded Dr. Lopez for his "significant contributions" in the formulation of Colombian policy.

Dr. Lopez pledged the complete and enthusiastic co-operation of his country with the United States war effort and gave high praise to the Administration's "good neighbor" policy.

House Votes OPA Fund

The House on July 20 adopted by a standing vote of 96 to 5 a conference report on the $1,858,939,210 war agencies supplemental appropriation bill and agreed to provide $120,000,000 for the Office of Price Administration. The conference report was agreed to by the Senate on July 21. The question as to the amount of funds for the OPA had held up approval of the bill for several weeks. The $120,000,000 allotment decided on is $45,000,000 above that which the House had originally voted on June 30 but is $5,000,000 less than voted by the Senate which passed the bill by a voice vote on July 16. Price Administrator Leon Henderson had originally asked for $210,000,000 to police price ceilings and administer rationing programs during the 1943 fiscal year. The Budget Bureau, however, reduced this request to $161,000,000.

The largest item in the bill was $1,100,000,000 for the War Shipping Administration. Other items included: $100,000,000 for the President's emergency fund, $150,000,000 for the Smaller War Plants Corporation set up to aid small business, $75,000,000 for the Office of Scientific Research and Development, $70,000,000 for the War Relocation Authority which is relocating Japanese moved from the West Coast, $68,546,300 for the War Production Board, $36,677,450 for civilian pilot training, $28,638,000 for the co-ordinator of inter-American affairs, and $26,500,000 for the Office of Censorship.

Vichy Rejects Plan To Remove Ships From Egypt

The Vichy Government has rejected two proposals made by President Roosevelt for the removal of demilitarized French warships interned in the Egyptian port of Alexandria. Acting Secretary of State Sumner Welles disclosed this in Washington on July 14 and Pierre Laval, Chief of the Vichy Government, made public on July 16 the reasons for his action.

President Roosevelt proposed on July 3 that since the warships were in a war zone they be moved through the Suez Canal to a United States port or some neutral port in the Americas for internment until the end of the war. After this offer was rejected, the President made a second proposal on July 9, suggesting that the ships be sent to Martinique, the French Caribbean possession, where they would remain for the duration of the war and be returned to France at the end of the war. In both these proposals the President warned that their rejection would make the ships subject to destruction by the British if Alexandria should come to the point of falling to the Germans.

Associated Press Vichy advices of July 16, stated:

"The Government said the warship proposals were 'rejected as contrary to the honor and interests of France' and disclosed that instructions had been sent to Vice-Admiral Rene Godfroy, commanding the ships, that 'in no case should they follow British forces in their retreat' (should the British flee Alexandria) and that if the British attempted to 'molest' them they should 'defend themselves by all means at their disposal.' It said Admiral Godfroy had been ordered never to allow the ships to 'fall into foreign hands.'"

U. S.-Ecuador Rubber Pact

Signing of a rubber agreement with the Republic of Ecuador was announced in Washington on July 21, by the Department of State, the Rubber Reserve Co. and the Board of Economic Warfare.

Under the terms of the agreement, Rubber Reserve Co. will purchase during the next five years all rubber produced in Ecuador, not required for its essential domestic needs. It is further stated:

"Ecuador has been producing and exporting relatively small quantities of rubber. Several hundred tons which are now in warehouses will be taken over by Rubber Reserve under the agreement. It is expected that eventually, with development of potential resources, somewhat larger supplies will be available annually from Ecuador.

The Ecuador agreement is the seventh under the United States program to secure for the united war effort the maximum possible amount of rubber produced in the Western Hemisphere. The other agreements, already in effect, are with Brazil, Peru, Nicaragua, Costa Rica, Colombia and Bolivia. Negotiations for similar agreements are proceeding with a number of other American rubber-producing countries.

Nelson To Continue To Aid In Rubber Program

Donald M. Nelson, Chairman of the War Production Board, has taken a more active direct interest in the synthetic rubber program but has not displaced Arthur B. Newhall, the WPB Rubber Coordinator. Reports that Mr. Newhall had been removed of his responsibility were denied by Mr. Nelson on July 17.

Meanwhile, Mr. Newhall issued a statement, in response to letters addressed to the Government about the rubber controversy, explaining that the present program calls for production of 700,000 tons of buna S rubber per year, 60,000 tons of butyl, and 40,000 tons of neoprene. Advices from Washington to the New York "Journal of Commerce," July 17, further quoted Mr. Newhall as saying:

"The present program has been fixed at this amount, not because we are still searching for methods or processes but because the amount of raw material required to build plants to use any of the processes is limited and the amount allotted is all that can be spared at this time to be taken away from other critical needs in the war program.

"Prior to the declaration of war petroleum was chosen as the base material from which to manufacture synthetic rubber for three reasons; the more advanced experimental development of the process in this country; the substantially lower cost of production; and the apparent lack of increasing defense demands.

"After the declaration of war, comparative costs were not important. Rubber was essential, and speed was the first consideration. An increased synthetic program was entered into. This program embraced all available alcohol which could be released from other war needs at that time. Thirty per cent of the butadiene included in the present program is being made from alcohol and most of the remainder from petroleum."

Compulsory Savs. Unlikely

The Government has adopted a definite policy of continuing the voluntary program of war bond sales until Jan. 1, Senator George (Dem., Ga.), Chairman of the Senate Finance Committee, said on July 17 after a conference with President Roosevelt and Secretary of the Treasury Morgenthau. The Administration, it is indicated, will not resort to any compulsory saving provision in the pending tax bill. The Senator said that it was his personal opinion that the Government would have to come to a system of compulsory loans in the near future in order to soundly finance the war effort.

Dept. of Labor Reports Retail Food Costs Advanced 1.3% Between Mid-May & Mid-June

Sharp advances in prices of many uncontrolled foods between mid-May and mid-June were announced by Acting Commissioner Hinrichs of the U. S. Bureau of Labor Statistics on July 20. Prices of foods not under the General Maximum Price Regulation advanced by an average of 4.8% during the month. Controlled food prices on the other hand showed an average decline of 1%. The total cost of food for moderate-income city families therefore rose by 1.3% during the month. This advance represents about the same average rate of increase as that which prevailed during the 14 months prior to the beginning of price regulation on May 18.

The Labor Bureau's announcement further said:

"Average prices increased between May 12 and June 16 for 20 of the 65 foods priced in retail stores. Prices were lower on the average for 28 foods and unchanged for 17. Price regulation does not affect 24 of the foods priced representing more than 40% of the average food budget of wage earners and lower-salaried workers. The rise in prices between May 12 and June 16 was led by fresh fruits and vegetables, lamb, and poultry, none of which are subject to price control. Apples advanced 25%, cabbage 15%, lamb 10%, and roasting chickens 9%. A drop in prices was reported for fats and oils, beverages, dairy products, and pork, all of which except dairy products are under the General Maximum Price Regulation. Cereals and most bakery products, beef, canned fruits and vegetables, and sugar were also slightly lower.

"The index of food costs on June 16 was 123.2% of the 1935-39 average, 4% above the March 17 level, and 16% higher than a year ago. (Prices for March 17 are not necessarily the highest prices reached in March, and therefore, do not represent the ceiling levels.)"

Index numbers of food costs by commodity groups for June 16, May 12, April 14 and March 17, 1942, June 17, 1941 and Aug. 15, 1939, are shown below.

INDEX NUMBERS OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS
(Five-Year Average 1935-39 = 100)

Commodity Group—	*June 16, 1942	May 12, 1942	Apr. 14, 1942	Mar. 17, 1942	June 17, 1941	Aug. 15, 1939
All Foods	123.2	121.6	119.6	118.5	105.9	93.5
Cereals and bakery products	105.1	†105.2	105.1	104.8	95.9	93.4
Meats	126.6	124.3	121.5	120.5	106.8	95.7
Beef and veal	123.3	124.1	120.6	119.7	107.2	99.6
Pork	121.9	123.2	120.5	117.5	100.9	88.0
Lamb	130.5	118.2	108.0	108.7	113.6	98.8
Chickens	123.3	113.4	112.2	112.2	105.7	94.6
Fish, fresh and canned	158.3	150.9	156.9	158.9	118.5	99.6
Dairy products	122.1	123.3	122.3	121.7	109.7	93.1
Eggs	119.7	115.4	111.3	112.1	104.4	90.7
Fruits and vegetables	133.7	†128.7	125.6	123.4	112.1	92.4
Fresh	136.6	†130.0	126.2	123.7	116.5	92.8
Canned	122.3	122.7	122.0	120.8	96.2	91.6
Dried	132.4	†131.2	130.6	127.9	105.1	90.3
Beverages	122.6	124.6	122.6	119.6	98.7	94.9
Fats and oils	120.0	122.4	119.9	116.8	92.5	84.5
Sugar	126.7	127.1	128.1	128.5	107.4	95.6

*Preliminary. †Revised.

Coffee Imports Under Quotas

The Bureau of Customs announced on July 21 preliminary figures showing the quantities of coffee authorized for entry for consumption under the quotas for the 12 months commencing Oct. 1, 1941, provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941, as follows:

Country of Production— Signatory Countries:	Quota Quantity (Pounds)*	Authorized for Entry for Consumption As of (Date)	Authorized for Entry for Consumption (Pounds)
Brazil	1,821,836,025	July 11, 1942	885,080,176
Colombia	617,483,151	July 11, 1942	375,325,482
Costa Rica	39,185,707	July 20, 1942†	30,665,825
Cuba	15,726,029	July 11, 1942	6,556,678
Dominican Republic	23,523,302	(Import quota filled)	
Ecuador	29,415,140	July 20, 1942†	18,412,238
El Salvador	123,781,103	July 11, 1942	78,083,736
Guatemala	104,900,424	July 20, 1942†	90,266,933
Haiti	53,868,211	July 20, 1942†	40,430,153
Honduras	4,191,694	July 20, 1942†	4,173,477
Mexico	96,438,728	July 11, 1942	35,179,275
Nicaragua	40,893,390	July 11, 1942	21,110,200
Peru	4,897,122	July 20, 1942†	3,110,901
Venezuela	57,080,665	July 20, 1942†	45,650,471
Non-Signatory Countries:			
British Empire, except Aden and Canada	22,976,474	(Import quota filled)	
Kingdom of the Netherlands and its possessions	25,570,406	July 11, 1942	13,107,191
Aden, Yemen, & Saudi Arabia	5,034,821	July 11, 1942	875,803
Other countries not signatories of the Inter-American Coffee Agreement	15,959,761	(Import quota filled)	

*Quotas revised effective Feb. 26, 1942, and July 16, 1942. †Per telegraphic reports.

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Shuman, Agnew & Co. Is Formed In S. F.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—J. Robert Shuman and William H. Agnew have formed Shuman, Agnew & Co., 300 Montgomery Street, to engage in a securities business. The firm will be members of the San Francisco Stock Exchange, Mr. Agnew holding the Exchange membership. Both were formerly for many years partners in Mitchum, Tully & Co.

R. W. Bias and James L. Sharp, both also previously with Mitchum, Tully & Co., are associated with Shuman, Agnew & Co.

NASD Dist. 13 Elects Gilmour To Committee

Henry G. Riter, 3rd, Chairman of District No. 13 of the National Association of Securities Dealers, Inc., announced the election of Lloyd S. Gilmour of Eastman, Dillon & Co., 15 Broad Street, New York, N. Y., to District No. 13 Committee to fill the unexpired term of Gail Golliday, who resigned to enter the Government service.

District No. 13 of the National Association of Securities Dealers, Inc., embodies the States of New York, New Jersey and Connecticut.

Tweedy & Others Are With Wainwright Co.

BOSTON, MASS.—H. C. Wainwright & Co., members of the New York Stock Exchange, 60 State Street, announce the admission of Albert W. Tweedy as a general partner of the firm and the association with them of Allan R. Shepard, Stanbrough Fernald and Richard L. Max. All four had been associated with Smith, Barney & Co. until that firm recently discontinued its Boston office.

Mr. Tweedy's admission to partnership in H. C. Wainwright & Co. was previously reported in the "Chronicle" of July 16.

Frank Stanwood Joins Straus Securities Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—Frank H. Stanwood has become associated with Straus Securities Co., Union Guardian Building. Mr. Stanwood was formerly manager of the unlisted and municipal bond departments for Alison & Co.

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Our Reporter On "Governments"

The new 2s of 1951/49, which were alloted last week, are swinging along nicely at a small premium. . . . Not much; in fact, at this writing, they're just about justifying the use of the word "premium." . . . Trading is light. . . . Dealers report many institutions and investors originally intending to sell their holdings before or around payment date, are holding on for a while, looking for a better chance to sell at a profit. . . . The Secretary is said to be "very well pleased" by the indications of inactivity on the part of free riders. . . . And so the July borrowing is over and every alert investor is now getting set for the August $2,000,000,000 plus. . . . But the point of this discussion is not to describe the late reaction to the sale of the 2s but to consider the merits and demerits of "speculation" in the Government market at this particular moment in history. . . .

How you reacted to the explanation in this space last week concerning the return of free riding in Governments is unknown to this writer. . . . Some reactions were received, though, from two types of sources: (1) the buyers of Governments and professional traders who were exceedingly interested and apparently pleased and (2) official agencies and bank examiners, who seemed worried over the return of speculation in Governments now and who admitted their inability to reach a decision as to the rightness or wrongness of the comments made. . . . This is a superficial analysis of the groups but it will do for the moment. . . .

To start with, we do not suggest or condone making money "on the Treasury" now or at any time. . . . We do suggest, however, that buying Governments for a turn—be it a turn of a month or two or three—may not only not hurt the Treasury but also may help it. . . . And it certainly is one big—if not the big answer—to your problem of finding income sufficient to cover your outgo during this period of necessarily huge purchases of U. S. obligations. . . .

And now to the reaction of the bank examiners—a matter of first importance to the major investors in Governments in the nation. . . .

"IS IT GOOD?"

In the large financial centers—New York and Chicago, particularly—trading in Governments by commercial banks is taken for granted. . . . The banks maintain huge trading departments, look for a sizeable return on the operations their portfolio managers carry on. . . . Call it free riding or call it sensible in-and-out management of positions. . . . The plain fact is that what these banks consider as normal management of their portfolios is generally unknown in the smaller, out-of-town cities. . . . And the small banks just don't get around to doing anything with their new Treasury issues—until they sell them in one block or until they turn them in at a due date. . . .

Few banks in the big cities ever have been chastised for trading in the Government market. . . . Only at extraordinarily crucial times—such as September, 1939, or December, 1941—are they asked to refrain from the market. . . . That's the gentlemen's agreement among the banks, framed when war broke out. . . .

In the out-of-town districts, however, this statement does not hold true. . . . The writer has been informed by two bank examiners that they would criticize any bank portfolio that appeared "active." . . . And it is undoubtedly known to you that your portfolio in Governments will be more and more carefully examined as the months go on. . . .

Nevertheless, the bank examiners are not agreed on this issue. . . . They admit they don't know exactly how to define speculation and free riding. . . . They admit that the institutional investors in Governments will have to increase their incomes from their portfolios somehow—or cut their expenses to a starvation and possibly dangerous point. . . . They admit that "not too active and profitable trading in Governments" may be part of the answer. . . .

To summarize the results of several conversations with authorities in the last few days:

(1) There is no official ban on trading in Governments as you wish, at this time;

(2) If you handle your portfolio properly, you may go ahead without fear of being criticized by the authorities;

(3) Too rapid sales of new issues aren't profitable these days, anyway, for it takes a few weeks before the issue is distributed and the premium rises to a level that makes liquidation worth while. . . .

So, we repeat our recommendation of last week: watch the new issue periods closely; subscribe to issues within your maturity range on the basis of receiving from 50 to 75% of your request; anticipate selling part or all of your subscription within 30 to 60 days thereafter, in order to give you the cash to subscribe again and to freeze a profit. . . .

If the authorities decide this is to be eliminated, they'll find, we believe, that the result is not worth the cost. . . . Until then, we suggest that trading in Governments today may be made more worthwhile than even during the years of the great Roosevelt bull market in U. S. obligations. . . .

INSIDE THE MARKET

Tax bill slightly favors tax-exempts over taxables, as it stands today. . . . Sellers of tax-exempts these days are as scarce as possible. . . . Tax legislation will make this situation even more apparent. . . .

The registered 2½s of 1972/67 will be reopened early next month, according to latest reports. . . . The Victory Fund Committee setup, now spread across the country, will receive its first important test in the distribution of these. . . .

Dealers getting rid of their Treasury bills fast. . . . Totals reported in hands of dealers this week estimated at 50% of totals held last week. . . .

Check of holdings of guaranteed obligations among banks indicates sharp decline resulting, of course, from Treasury policy of retiring guaranteeds and transferring obligations to direct debt. . . . Member bank holdings currently at $2,033,000,000, off $1,179,000,000 from total at this time a year ago. . . . And this will disappear too as the end of the '40s approaches. . . . Not much speculation possible in them, because of certainty of retirement on call dates or as soon as possible thereafter. . . .

Next agency maturity is $320,000,000 RFC ⅞s, due October 15. . . . Commodity Credit Corporation has issue of $289,000,000 ¾s, due May 1, 1943. . . .

On last issue of 2s, New York district subscribed to more than 75% of entire offering, about three times totals shown by any other center in the country. . . . Allotments reached $834,234,500 for this one district. . . .

Banks seem to be getting accustomed to holding small amounts of excess reserves. . . . Reports on subscriptions reveal that change in psychology. . . . But level is getting too low for comfort. . . . Legislation permitting redesignation of central reserve city banks is in effect, should be called upon within a week or so. . . . Certainly before next major cash borrowing. . . .

Open market operations by Federal Reserve designed primarily to expand reserves of banks. . . . Purchasing bills and certificates mostly. . . .

FINANCING ITEMS

Feeling is "tap" 2½s will be only part of August borrowing. . . . Non-negotiable, short-term issue for banks and corporations may be added. . . .

Insurance companies to be used mainly this time. . . .

Treasury bill offering may be increased again, if additional funds are necessary. . . .

No doubt expressed among experts as to probable success of August financing, no matter what the size. . . .

Suggestions on types of issues being given to Treasury have many unusual angles with "flexible coupon" idea getting much more attention than expected. . . .

Result Of Treasury Bill Offering

Henry Morgenthau, Jr., Secretary of the Treasury, announced on July 20 that tenders for $350,000,000, or thereabouts, of 91-day Treasury bills to be dated July 22 and to mature Oct. 21, which were offered on July 17, were opened on July 20 at the Federal Reserve Banks. Details of this issue are as follows:

Total applied for, $697,266,000.

Total accepted, $351,861,000.

Range of accepted bids:

High—99.924, equivalent rate approximately 0.301%.

Low—99.906, equivalent rate approximately 0.372%.

Average price—99.907, equivalent rate approximately 0.368%.

Forty per cent of the amount bid for at the low price was accepted.

There was a maturity of a similar issue of bills on July 22 in the amount of $150,058,000.

Crouter, Bodine & Gill, New NYSE Firm

PHILADELPHIA, PA.—Crouter, Bodine & Gill, members of the New York and Philadelphia Stock Exchanges, will be formed in Philadelphia as of July 30, with offices in the Packard Building. Partners in the new firm will be Gordon Crouter, member of the Philadelphia Stock Exchange, who will also hold the firm's New York Exchange membership, Robert C. Bodine, also Philadelphia Exchange member, general partners, and Logan B. Gill and William J. McCahan, 3rd, limited partners.

Mr. Bodine was formerly a partner in MacDonald & Co. Mr. Crouter and Mr. Gill were partners in Turner, Gill & Crouter with which Mr. McCahan was also connected for many years.

Gossler & Burbank To Form Exchange House

Philip Gossler, Jr. and Bertrand L. Burbank will form Gossler & Co., 40 Wall Street, New York City, as of July 30th. Mr. Gossler, member of the New York Stock Exchange, was formerly a partner in Victor, Common & Co., did business as an individual floor broker, and in the past was a partner in White, Weld & Co. Mr. Burbank in the past was a member of the New York Exchange and was a partner in F. J. Bradley & Co. He will act as alternate on the floor of the Exchange for Mr. Gossler.

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Warner Co. Looks Good; La France Attractive

The interesting speculative possibilities of the 7% cumulative first preferred stock and also the common stock of the Warner Company are stressed in a circular issued by Lilley & Co., Packard Building, Philadelphia, Pa., members of the Philadelphia Stock Exchange. The circular, copies of which may be had upon request, mentions the war and peacetime status of the company.

The 4% fixed interest, sinking fund convertible second mortgage bonds with stocks of La France Industries offer an interesting investment combination with considerable speculative appeal according to a bulletin issued by Lilley & Co. Included with the bulletin is a brief analysis of the current situation of La France Industries as it affects the securities in question. Copies of this bulletin in addition to the Warner Co. circular, may be had from Lilley & Co. upon request.

Rail Bonds Compared

A most interesting comparative analysis of the Lehigh Valley Railroad General Consolidated 4s, 4½s, 5s, due 2003, and Baltimore & Ohio Railroad Refunding & General 5s due 1995 has been compiled by Penington, Colket & Wisner, 123 South Broad Street, Philadelphia, Pa., members of the New York and Philadelphia Stock Exchanges.

With bonds selling at a small fraction of their par value, the prospects for recovery of the maximum amount of their original investment is of particular concern to the bond holders. The analysis compares the earning power of the two rail systems, current earning trend, protection through junior debt, market performance, maintenance expenditures, and long term trend of principal sources of income.

Copies of the analysis may be had from Penington, Colket & Wisner upon request.

Final Edition THURSDAY **In 2 Sections – Section 2**

The COMMERCIAL & FINANCIAL CHRONICLE

(Reg. U. S. Pat. Office)

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House Passes $6 Billion Tax Bill; Votes 90% Excess Profits Tax, Payroll Tax Reductions

Designed to yield $6,271,200,000, the greatest amount in the Nation's history, the new revenue measure was passed by the House on July 20. The adoption of the bill came after three days' debate in the House, limited to that period under a so-called "gag" or closed rule agreed to on July 16, under which amendments by the House Ways and Means Committee only were permitted. The bill was passed by the House by a vote of 392 to 2, the two votes in opposition being those of Representatives Oliver (Republican) of Maine and Moser (Democrat) of Pennsylvania. Prior to the final vote the House accepted on July 20 the proposal of the Ways and Means Committee to increase the excess profits tax from 87½% to 90%; however, the House rejected the further proposal of the Committee to lower the combined normal and surtax rate on corporations from 45% to 40%. The retention of the 45% rate came on a teller vote of 180 to 160, while the decision to increase the excess profits tax rate was agreed to by a voice vote. Both the 87½% excess profits tax and the 45% surtax rate were embodied in the bill as it came from the House Ways and Means Committee, which reported the bill to the House on July 14, as noted in our July 16 issue, page 169. In Associated Press accounts from Washington July 20 it was stated:

"Representative Doughton, Chairman of the committee, urged the revised corporate rates in the interest of the small corporations which were not benefiting from the war program. But Representative McLean, Republican, of New Jersey, said the changes would "help those corporations which are waxing fat by this war effort."

In the account of the House action on July 20, it was stated by the Washington Correspondent of the New York "Times"—Henry N. Dorris—that in probably the stormiest session of the year, a number of House members ex-

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FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

We are frequently asked if Leon Henderson is a man of ability and our invariable answer has been that he must be to have pushed himself upward through the backbiting and throat cutting of official Washington. Now, after the job he did on the Senate the other day, we are more convinced than ever.

The proposal was to require Senate confirmation of all OPA appointees receiving $4,500 a year and upwards. It is an amazing thing that Senate confirmation is required for Cabinet members, Federal judges, even high Army and Navy officers—Generals MacArthur, Marshall; Admirals King, Nimitz and so on—but over countless agencies which the New Deal has set up, the Senate has no confirmatory authority at all. In recent months, in an effort to recover some of its lost influence, to get some sort of hold over the bureaucracy, the Senate has been trying to get this authority over first one agency and then another. In many instances it has been checked by the House which has long been jealous of the so-called Upper House.

But this time the Senate was outwitted almost single-handedly by Leon. What he did was to circulate among the Republicans, point out to them that it would avail them nothing to create this OPA patronage, that it would go to New Deal Senators, and at the same time intimating that Republican Senators who played ball with him would probably not regret it.

The result was that not a single Republican voted for the proposal, every one voting, 19, voted against it, instead. It was a tie vote 30-30 which Vice-President Wallace broke in Leon's favor.

That it was a single-handed job by Leon is indicated by the fact that the White House evinced no concern in the outcome. The Administration leader, Barkley, voted for the proposal.

The Republicans voted as they did notwithstanding that it had been brought out a couple of days before, that after Director Landis of Civilian Defense, had been specifically denied money with which to pay the salary of one of his employes, he had kept the man on and got the money from another fund.

It is more than just a passing commentary on the Washington

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Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

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THE FINANCIAL SITUATION

This time there were to be no "war millionaires." No one was to profit more than very moderately at most from the misfortune that had befallen this country. The effort that was necessary on our part was of a sort and of proportions to demand, on the contrary, heavy sacrifices from each and every one of us. These, in general terms, were the ideals with which we launched ourselves upon the task of winning this, the largest and most difficult war that had ever overtaken us. Technically, we have been at war a little over seven months. How well are we succeeding in giving practical effect to these resolutions?

Exceptions

Industry in general and individuals of large wealth generally are certainly not reaping large pecuniary rewards for their war services. To be sure, the volume of production is so great that profits before taxes are very substantial, but when taxes levied even under existing law have been paid, the amounts remaining are certainly not large enough for the most concerns to warrant, in terms of ordinary business, the risks that have been assumed. Individuals earning large incomes are, in a manner of speaking, largely working for government—that is to say, the larger part of whatever they receive is taken from them in taxes. These burdens, moreover, are apparently scheduled to grow greater as time passes. There are, however, those who in one way or another are profiting from the war more largely than they ever did from anything else before, and they are doing so in much the manner that many others have employed in similar circumstances in former times and under "conservative" administrations.

How many there are of these liaison agents, and other political hangers-on and how much their gains are, we shall certainly not know fully for a long while to come, and probably never shall learn. Congressional inquiries which have doubtless given a false or distorted picture of the Washington scene in many respects, have nonetheless uncovered instances enough to make it clear that what has in the past rather regularly taken place in such circumstances as those now obtaining is again in one degree or another occurring.

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A Living Cost Problem?

We do not agree with the analysis of the majority member of the War Labor Board that its wage award will meet the living cost problems of the steel workers. This wage award of the Board is based on the President's seven-point national economic program, calling for national stabilization of cost of living. Wages cannot and must not be the sole object of the stabilization effort. The workers now look toward the President and Congress to carry through the remaining portions of the national economic program, such as an effective tax program and a real effective freezing of prices of goods, rents and other items of cost to the people.

We shall watch this phase of the program most carefully. The workers are entitled to know whether their living costs are going to be stabilized, upon which principle the present award of the Board in the "Little Steel" case has been predicated.—United Steel Workers of America.

Relative to anything they have known in the past, have steel workers at this moment any real living cost problem?

If so, is there any good reason to believe that it would be solved by general wage increases throughout this and other industries?

Steel workers could with much more grace—and probably more effectiveness—demand stabilization of living costs if they themselves were not so insistent upon action which can hardly fail to raise them.

Reports 12,500,000 In War Industries

Paul V. McNutt, Chairman of the War Manpower Commission, disclosed on July 13 that 12,500,000 persons were working on July 1 in direct war employment and that under present schedules 5,000,000 will be added to to this force in the next six months.

Declaring that war plants are rapidly drying up the available labor supply, Mr. McNutt said that "general labor shortages are apparent in many war industry centers," adding that "increased employment of women and other persons not now in the labor force will be necessary to meet the demands for war workers during the next year and a half."

The new war employment estimate of 12,500,000 compares with previously announced estimates of 9,000,000 on April 1 and 6,900,000 on Jan. 1. The average war employment for the last three months of 1941, most of it "pre-Pearl Harbor," was 5,300,000. The fourth quarter figure in 1940 was 1,400,000.

Mr. McNutt said the increase in war employment in the second quarter totaled 3,500,000, or 67% over the 2,100,000 total of the first quarter.

"This shows that industry and government have struck their stride in producing for war," he said. "It also shows that a very large percentage of the industrial workers in peace-time production are shifting over to war production.

"We counted on obtaining, for the armed forces and for industry, between 7,000,000 and 8,000,000 persons from peace-time industry during this calendar year, in addition to 1,400,000 of the employable unemployed, 2,000,000 or more from housewives, young people, older workers and others not in the labor market. Obviously, the employment of 5,600,000 by war industry in six months plus the number taken by the armed forces, has absorbed most of the workers who were immediately available. We must move more quickly now to utilize our reserves — our women, Negroes, older workers, dis-employed white-collar workers, aliens and others who are or can be qualified for war jobs."

President Divides Control Over Alien Property

President Roosevelt issued an executive order on July 7 differentiating between the powers exercised by the Alien Property Custodian and the Secretary of the Treasury over the property of enemy, neutral and occupied countries and their citizens. In reporting this Associated Press advices said:

"The Custodian will have charge of all enemy-owned or controlled businesses operating in this country. Those owned or controlled by nationals of neutral or occupied countries will likewise come under his jurisdiction when he determines it to be necessary in the national interest.

"The Custodian also will handle foreign owned patents, copyrights and trade-marks, foreign ships and all forms of property and claims of enemy nationals involved in estates, trusts and receivership proceedings.

"The Treasury will continue to handle:

"Dollar balances, bullion and securities of governments for nationals except those belonging to an enemy business; all transactions or business dealings with countries subjected to freezing orders, including the control of all trade and commercial communications with enemy and enemy-controlled nations."

Creation of the Alien Property Office was noted in these columns March 19, page 1149.

Editorial—

A Double-Pronged Invitation to Disaster

The Alice-in-Wonderland economics practiced so assiduously during the last eight years reaches its acme of development in the Little Steel decision just handed down by the War Labor Board. By the use of arguments which boil down to utter nonsense, the Board blandly and proudly announces that it has framed a ruling which will save the country from inflation—while as an actual matter of fact, its verdict may just about push the nation over the brink.

The glib document which justifies the granting of the wage increase to the steel workers is a literary gem truly worthy of Lewis Carroll. The summaries of it which have appeared sound nonsensical enough, but the ruling must be read in verbatim form to be truly appreciated. However for an in-a-word summary of its logic, this one comment may suffice: It announces that a wage increase of 44 cents a day, which adds $21,000,000 a year to the payrolls of four steel companies and which actually guarantees thousands of other workers millions and millions in wage boosts, requires severe "sacrifices" from those workers, and at the same time fulfills the Administration's promise that "existing wage scales" would be maintained to avoid inflation.

This, of course, is the ne plus ultra in the Alice-in-Wonderland economics of the decision. Some of the premises by which this queer result was reached seem straight from Carroll, while others seem to stem from a more malicious inspiration. Take the fundamental rule underlying the wage verdict—namely, that all workers are entitled to an increase of 15% in hourly earnings from January, 1941 to April, 1942, because the cost of living had risen by that proportion during that period.

Just why did the NWLB pick January, 1941, as the base for these calculations? Because although hourly wage rates began advancing as soon as the war broke out in August, 1939, it was not until February or March of 1941 that the cost of living showed any appreciable rise from the low levels prevailing in the 1938 depression. In other words, from early 1941 on the advance in hourly wage rates somewhat approximated the trend of living costs. Consequently, if a statistician were instructed to pick a base date from which hourly wage rates lagged behind the trend of living costs, he would have to pick January or February, 1941. If he picked, January or June, 1940, or August, 1939, the case would have been hopeless, for from any of these dates wages have outstripped the rise in living costs.

This, then is the first comment about the January, 1941 base—it represents about the only date the Board could have picked that would have enabled it to grant an increase. As a second comment on the date, it need only be said that in the fifteen months just preceding January, 1941, employees in manufacturing industry generally had won a 10% gain in real wages (allowing for the minor upturn in living costs). *In other words, January, 1941, represents a period of peak prosperity for workers in general.*

One other illustration is necessary to show how the Board labored to produce the increase it gave. Even after it picked as a base period the one month that would be most favorable to workers, it was embarrassed to note that steelworkers' hourly earnings had almost kept pace with the living cost trend. From this base most favorable to labor the Board admitted that only a wage increase of some 3 cents was justified. To give the full 5.5 cents it awarded, the Board decided that employes must be given a bonus because the rule of holding wages down to the rise in living costs was announced while their wage demands were already pending before the WLB. In other words, the steel union got a bonus because the rules were changed in the middle of the game.

Certainly, this is sophistry of the highest order.

However vicious its bases, the alarming part of this ruling is the invitations to disaster it so freely tenders. Not only is the wage increase given Little Steel workers, but by setting up the rule that wages must advance 15% from January, 1941 until April, 1942, the Board guarantees a staggering addition to the vast sums of excess purchasing power already being pumped into the hands of the workmen throughout the land. Hundreds of workers, including even some union groups, had announced after the April 27 speech of President Roosevelt that they would not seek any further wage increases. Now all of these are told that their Government wants them to have such increases. Leon Henderson's estimate that the inflationary "gap" of excess purchasing power this year would exceed $17,000,000,000 and Jesse Jones' figure of $30,000,000,000 for 1943 seems not overlarge.

One other aspect of the ruling should be pointed out. If the farm bloc keeps on winning its battles for higher farm prices, it will eventually force the cost of living into a new jump. If this occurs, the War Labor Board will be forced under its formula of preserving worker purchasing power at the January, 1941 level, to give all employes who ask it a further upward adjustment. And, as might be expected under an Alice-in-Wonderland economic era, the boosts in wages will change the parity price concept used by the Administration and require a new boost in farm prices, which once again would necessitate general wage increases and so on ad infinitum.

Thus, the Board's wage ruling is hypocritical in pretending to require a sacrifice, it indulges in sophistry to justify its course of action, and the outcome of its verdict seems likely to be an aggravation of the inflation it wishes to avert.

Yet it is not entirely just to heap abuse on the Board for this verdict. Just before it was handed down, and again immediately after the rulings, the President of the United Steelworkers of America (CIO) visited the White House for a conference. There could be and never has been any doubt in the minds of the Board that the White House expected it to hand down a decision that this union president (Philip Murray) would accept. This Administration has been a labor government, it has from the outset opposed requiring labor to make any sacrifices of its gains. Under such circumstances, and until the Administration itself showed any independence of the labor bloc—how could its creation, the War Labor Board, be expected to do so?

This thought logically leads into a second phase of the Board's decision, a phase almost universally overlooked by the press. This was its ruling that the union was entitled to the maintenance of membership clause and the voluntary checkoff in the plants of all four steel companies. Despite the serious nature of the inflation threat, this part of the ruling may prove more important.

As the employer members of the board pointed out, the Little Steel case shows that the Federal agency will hand unions this form of union security whenever they ask it. In the last ten major cases, the Board has given the membership or checkoff clauses. With this a rule as fixed as its wage doctrine, most of the great unions will soon be equipped with a stranglehold upon their members, a stranglehold that will assure them a vast increase over and in addition to the vast power they already wield.

To drive home what this means with a case in point—the great power the unions are obtaining with these maintenance of membership and checkoff clauses guarantees that they will continue for years to come to exert the influence that accounted for the sophistry in the Little Steel wage ruling. And they will be enabled to wield this power without supervision or regulation until an aroused citizenry makes itself felt.

Only one comment is necessary upon the premise advanced for this part of the Little Steel ruling. The Board members declare they gave the steel union the "union security" clause, because the union had shown itself responsible, and devoted to the cause of greater war production.

The record shows that this same steel union, headed by the president of the CIO, and praised by the NWLB, has either staged, allowed, or been entirely unable to prevent *some twenty-odd strikes in vital war plants since June 9* of this year. Production in various plants of U. S. Steel, Bethlehem, Republic, Roeblings, American Car and Foundry, Lukens, and other steelmakers have suffered because of the irresponsibility of this union. Probably if the record for the entire eight months of the war were available it would be found that this one union was responsible for *a hundred outlaw, contract-breaking strikes* which occurred despite the union's no-strike pledge made after Pearl Harbor.

Thus, when the War Labor Board calls this union responsible it is guilty of a flat falsehood, completely indefensible.

In summary, therefore, the wage section of the Little Steel ruling seems likely to aggravate rather than ameliorate the inflation peril. And the union security section, by deciding that a union, however irresponsible and disinterested in its pledge to keep war production going, is entitled to the checkoff and membership maintenance, will surely perpetuate the labor bloc whose influence explains such unfair and illogical rulings as the new wage doctrine.

That is why the Little Steel decision is a double-pronged invitation to disaster.

THE FINANCIAL SITUATION

(Continued From First Page)

There seems to be no way of eliminating these abuses, and an Administration so wedded to the Jacksonian doctrine of spoils could be expected to have particularly great difficulties in combatting these evils.

The Real Failures

But the really costly failures to give effect to the lofty ideals set forth at the beginning of the war are to be found elsewhere. They are seen precisely where one would expect to find them, in dealings with those groups which from the first have been the political mainstay of the existing regime in Washington—the wage earners and the farmers. These failures are to be charged against both the legislative and executive branches of the Government. The President has been more inclined to deal firmly with the farmer than has Congress, although, of course, he, in conceding the "justice" of parity prices and in effect assuring the agriculturist the aid of the Government in obtaining such prices, can scarcely be said to have been "tough" with the tiller of the soil. Congress, on the other hand, has at times apparently been on the verge of drastic action against organized labor, and it has been the President who has again and again managed to place such plans upon the shelf.

Wage Stabilization?

To be sure, the President upon occasion has called rather directly and vigorously upon labor to bear its share of the burden of sacrifice being demanded of us all. He has even gone so far as to demand stabilization of wage rates, and to give assurance that he would through administrative agencies under his command provide for such stabilization. There have, however, usually been vague reservations in what the President has had to say on the subject, which inevitably left the skeptical filled with doubt. That these doubts were not without foundation appears to be clearly indicated by the ruling late last week of the War Labor Board in the case of so-called "little steel." The significance of this determination is to be found not so much in the grant of wage increases to the parties to this case as in the broad principles set forth as those which will guide that body in future cases—presumably the program of the Administration.

Lest the significance of this decision be overlooked, we make room here to give the pertinent paragraphs in full:

> (1) For the period from Jan. 1, 1941, to May, 1942, which followed a long period of relative stability, the cost of living increased by about 15%. If any group of workers averaged less than a 15% increase in hourly wage rates during or immediately preceding or following this period, their established peacetime standards have been broken. If any group of workers averaged a 15% wage increase or more, their established peacetime standards have been preserved.
>
> (2) Any claim for wage adjustments for the groups whose peacetime standards have been preserved can only be considered in terms of the inequalities or of the sub-standard conditions specifically referred to in the President's message of April 27, 1942.
>
> **INEQUALITIES TO BE CONSIDERED**
>
> (3) Those groups whose peacetime standards have been broken are entitled to have these standards re-established as a stabilization factor.
>
> (4) The board, as directed by the President in his April 27 message, will continue to "give due consideration to inequalities and the elimination of substandards of living."
>
> (5) Approximately 20 wage disputes, still pending before the board, were certified prior to the stabilization date of April 27. The question arises in these cases whether wage rates being paid on April 27, 1942, can or cannot be considered as "existing rates" within the meaning of the President's message, or whether they then had the tentative character of disputed rates. Due regard must be given to any factors of equity which would be arbitrarily swept away by " a change of rules in the middle of the game."

What, may we ask, has become of the sacrifice theory? If wage earners are to be regarded as entitled to increases in pay pari passu with any upward turn in the cost of living, they appear to be guaranteed, so far as the Government is in a position to guarantee it, full maintenance of their plane of living. Of course, it may be said that the Treasury will do what it can to persuade these wage earners to save some part of their earnings and invest them in War Savings Bonds, but if such an argument were presented it would be necessary to explain how in such an event changes in the cost of living provides a logical basis for wage advances. The fact of the matter is, in any event, that the hourly rate of wages in times such as these is no criterion, or at best only a partial criterion, of the amount of weekly earnings, and therefore of the need of more wages to support any given standard of living. Workers are today receiving larger incomes than they ever did before in their lives, and that fact is as much due to hours worked at premium rates over and above a very short work-week as to the hourly rate of pay.

What, too, becomes of the "stability" conception if such important individual component of the cost of production as wages and the price of agricultural products is to be raised from time to time as end-products reveal the effects of previous increases? The War Labor Board, and, for that matter, the Administration must be fully aware that each increase in wages such as that granted large groups of steel workers and such others as will be required by the philosophy set forth in the ruling in question enter in an important way into the cost of goods and therefore into the cost of living. A succession of such increases would, if continued long enough, inevitably give rise to a further rise in the cost of living and thus lay a basis for claims for further wage increases not only by these same groups of workers but by all others—in direct line with the reasoning employed in the ruling under discussion.

The amounts of money involved the case of each individual is small, of course, but in the aggregate the effect upon the Treasury and upon the economy is much greater than ill-gotten gains of several thousand war profiteers in the million dollar class.

The State Of Trade

Business activity registered a moderate increase during the week, with most industries reporting continued high levels compared with last year.

Although industrial activity has now advanced far beyond anything that had been anticipated at the outset of the defense program, further substantial expansion still lies ahead in some industries. observers state. The Federal Reserve Board index now at 180% of the 1935-39 average, is expected to top 200 before the year is over.

The Federal Reserve Board points out in its current bulletin that the forthcoming expansion will be made despite growing materials shortages. It is pointed out that there has already been considerable expansion in capacity of aluminum, magnesium and electric steel, and that further expansion is ahead.

It is pointed out, too, that civilian consumption of supplies will have to be drastically cut to shift available scarce supplies still further to war production.

Latest reports on carloadings showed a substantial increase over the previous week, the official figures being 855,124 cars for the week. This was an increase of 101,269 cars, or 13.4%, compared with the preceding week; a decrease of 21,018 cars, or 2.4%, compared with a year ago, and an increase of 118,341 cars, or 16.1%, compared with 1940.

Although annual traffic peaks are not reached until the fall, the railroad industry broke almost every previous record of railway operating efficiency during the month of April, which has only 30 days. The volume of freight service rendered in that month the magazine "Railway Age" points out in its latest issue, exceeded all previous monthly records.

Preliminary reports from 88 Class I railroads, representing 81.5% of total operating revenues, received and made public by the Association of American Railroads, show that those railroads in June, 1942, had estimated operating revenues amounting to $497,225,572, compared with $370,863,416 in the same month of 1941, or an increase of 34.1%.

Electric power output increased to 3,428,916,000 kilowatt hours in the week ended July 11 from the 3,424,188,000 reported in the previous week, and was 7.9% above the total of 3,178,054,000 a year ago, the Edison Electric Institute announced.

Steel production in the United States is scheduled this week at 98.7% of capacity, or 0.4% below last week's rate of 99.1%, the American Iron and Steel Institute reported.

The current schedule indicates output of 1,676,500 net tons of ingots and castings for the week, against 1,683,300 tons last week and 1,586,100 for the like 1941 period.

Engineering construction volume for the week was $174,129,000, which is 57% below the high volume of $401,603,000 reported last week and 16% below the corresponding 1941 week. Public construction is down 58% from last week and 12% below the 1941 week. Private construction is 6% lower than last week and 55% lower than the 1941 week.

Federal contracts dropped 59% below last week but show a slight gain over the corresponding 1941 week. With this week's total the volume for the 29 weeks reaches $5,698,849,000, compared with $3,421,095,000 for the same period last year, a gain of 66%.

Department store sales on a country-wide basis were up 10% for the week ended July 11, compared with the same week a year ago, it was shown in the weekly figures made public by the Federal Reserve System.

Looking forward to an improvement some time this fall in their currently unfavorable sales trend, executives of major retail organizations expect to wind up this year with sales slightly in excess of last year's high total, according to well informed quarters.

War production work is still going ahead in leaps and bounds. Because of the speed with which war production facilities have been expanded and manufacturing techniques improved it now is quite apparent that a larger number of war workers will be necessary this year than had been anticipated earlier. The great limiting factor at the moment is material. If materials were available to the extent that they can now be absorbed, the volume of new laborers required for the war effort would be still greater, observers state.

It is now estimated officially that some 14,000,000 persons will be recruited for war work by the year-end. Of these, close to 9,000,000 will have come from civilian pursuits. The over-all increase in employment, it is estimated, will exceed 3,000,000 persons. Many of these 3,000,000 are new additions to the work force, high-school-age boys and girls and older men and women. It also includes about 1,500,000 persons who were formerly unemployed.

It is pointed out that among the industries which will witness the greatest expansion will be shipbuilding. Some 750,000 persons now employed will be swelled to 2,000,000 or more by the end of next year. The nature of the problem confronting Federal officials is indicated in the estimate that some 20,000,000 persons will be needed for the armed forces and the war factories in the 1942 and 1943 years.

War Production Board officials expect little aid for small business from the Smaller War Plants Corporation, which was launched a week ago with the naming of a board of directors. A number of policy-making officials believe the whole project may be forgotten by the fall.

The opinion of the War Production Board officials seems to be seconded by Leon Henderson, who is reported to believe that shortages of materials will prevent any effective functioning of the Smaller War Plants Corporation.

Should the WPB and OPA officials' views prove correct, it is clear that a greater number of small concerns will need Government subsidy or loan aid if they are not to be eliminated from the business scene during the war.

Employment In May Reaches Record Level

More men and women were at work in May than at any previous period in the nation's history, according to the Conference Board, New York.

"On the basis of preliminary estimates the gain in May brought the figure for total employment above the estimated number of persons who compose the nation's economic labor force," the Board says. "Not since May-October, 1929, has the level of employment ever before surpassed the number of persons normally in the labor market. Mounting acceleration of inductions into the armed forces, additional farm employment which has not yet reached its seasonal peak, and the necessity for continued expansion of the number on war production payrolls will further widen this gap between total labor requirements and total habitual workers. As in other periods of extreme industrial activity, such labor requirements can no longer be met simply through tapping the pool of habitual gainful workers but must be met increasingly through the attraction of persons who customarily do not enter the labor market."

This situation stands in contrast to that of April when unemployment totaled 1,700,000. Unemployment was 2,500,000 in May, 1941, and 7,500,000 in May, 1940. The Board further reported:

"Almost 1,250,000 more persons were reported engaged in farming in May than in the previous month, while an additional 700,000 were taken on in manufacturing, construction, and both military and civilian government services. The seasonal increase in agriculture together with the continuing expansion of war industries and services raised the number at work to an all-time high of 55,300,000. Total employment was fully 700,000 above its previous peak of last September, while total non-agricultural employment was also above its earlier December high by about a like amount."

Restrict East Coast Flying

Lieut.-Gen. Hugh A. Drum, Commander of the First Army, on July 18 designated as a "vital defense area" a strip of the Atlantic Coast from the Canadian border to Cavalla, N. C. and banned from it all non-essential civil and military flying. The area extends 200 miles at sea and ranges inland between 20 and 150 miles. All civil flying is prohibited, except for scheduled commercial flights and necessary flights of the Civil Air Patrol.

The following activities, which "jeopardize the air defense of the area," General Drum's order said, shall be discontinued at the "earliest practicable date":

"Civil flying training, including civil pilot training schools.

"Civil photographic, news, commuting, pleasure, and other miscellaneous civil flights.

"Army and Navy primary, basic and advance flying training, other than operational training."

Agricultural Department General Crop Report As Of July 1

The Crop Reporting Board of the United States Department of Agriculture made public on July 10, its forecasts and estimates of the grain crop of the United States as of July 1, based on reports and data furnished by crop correspondents, field statisticians and co-operating State Boards (or Departments) of Agriculture. We give below the report in part:

Crops made uneven progress during June but growing conditions in the United States as a whole rarely have been better than they were on July 1 and a banner year for crop and livestock production appears in the making. Among the crops for which a record acreage and production are in prospect are peanuts, beans, soybeans, flaxseed, barley, rice, sugarbeets and canning vegetables. As usual, some areas and some crops have suffered from unfavorable weather. In the central Corn Belt from southern Indiana into eastern Kansas and in portions of other States wet weather has interfered seriously with planting and cultivation and also with haying and harvesting. Many farmers report losses from washing rains, lodged grain, overflowed bottoms or wet fields. In Missouri the most productive land is covered by the worst floods in 60 years and some of the upland is so continuously wet that the corn was never cultivated. A very large southwestern area extending from central Wyoming and southwest Texas westward had a dry June, and ranges and non-irrigated crops there need rain. In a large northwestern area the weather has been too cool for some crops.

On the other hand, so few areas have suffered from lack of rain or severely hot weather that the country seldom has been greener than it is today. The reported condition of cool weather crops, including small grains, flax, hay, pastures, and potatoes, averages higher than in any other year since 1927. July reports from farmers on prospects for "all crops" averaged 3% higher than the corresponding reports received in any July during the past four years for which records are available, although all of these were years of high crop yields.

Present prospects are particularly favorable in the Great Plains in contrast to the recent drought years. In the 10 Great Plains States production of small grains is expected to total about 29,000,000 tons compared with 9,000,000 tons in 1934, and a 10-year (1930-39) average of 18,000,000 tons. Over most of this area the scars which the repeated droughts left on the land and on the people are disappearing. Grass is covering the bare spots on the ranges; water levels show more normal moisture conditions; feed reserves have been replenished and numbers of livestock on the ranges are again approaching normal carrying capacity. Many of the farms have been consolidated and more extensively mechanized to reduce costs, and now, with crops abundant, ranges green and products bringing higher prices, the disastrous losses of the drought years are being forgotten. The progressive recovery of the agriculture in this area is a major cause of the favorable showing for the country as a whole.

Yields of late crops are still uncertain but records of acreages planted and of growth to date show what may be expected if only the usual difficulties are encountered during the remainder of the season. The outlook now is for outstandingly large crops of flaxseed, soybeans and peanuts, all increased because needed for their oils; for greatly increased production of sweet corn, green peas and tomatoes, the principal vegetables needed for canning; and for record production of several other important food crops including rice, beans, dry peas, sugar cane, sugar beets and commercial vegetables grown for marketing fresh. Fruit seems likely to be about equal to the record production of last year, for the moderate decreases in peaches and grapes may be more than offset by increased production of oranges and grapefruit. Wheat production is estimated at 904,000,000 bushels which would be a big crop although the acreage sown was the smallest since about 1917. Potatoes, sweet potatoes and tobacco show about average prospects as a result of very high yields on small acreages. Hay production depends in part on labor conditions but it seems likely to exceed a 100,000,000 tons for the first time. This quantity would permit very liberal feeding of the increased numbers of livestock without reducing reserves on hand. Somewhat more than the usual percentage of early cuttings was damaged by rain but hay supplies are expected to be adequate in all States. Feed grain production will include a record crop of barley, a large crop of oats, more than the usual supply of grain sorghums and probably a good crop of corn, nearly as large as that harvested last year. Estimates for these grains, added together, indicate a total of nearly 108,000,000 tons which would be about 1,000,000 tons more than production last year. Stocks of corn and oats on farms on July 1 totaled more than 24,000,000 tons but were not quite as large as they were a year ago. The indicated farm supply of feed grains is, therefore, about the same as last year, whereas the number of livestock units on the farms next winter will probably be larger by 11 or 12%. It thus seems probable that farm stocks of feed grains will be substantially reduced by July 1 next year, the extent of the reduction depending in part on the trend of hog production and on the extent to which the very large supply of wheat is utilized for feed.

If the acreages and yield per acre now indicated are finally harvested and about an average yield of cotton is secured, the results would add up to yields per acre equal to the record yields secured last year, to the largest acreage of crops since 1932 and to a total crop output that would exceed the near-record total of last year by 3% and exceed the 1923-32 or predrought average by 14%.

An important feature of the crop outlook this year is the large proportion of the farming area which reports favorable prospects. In nearly half of the States crop prospects are better than at this season in any of the past four years. Almost the only large area where crops are definitely poor is in southeastern Oklahoma and in a strip extending from there southwestward almost to the Rio Grande. The only large areas where pastures or ranges are poor were in the Southwest, in an area in central Tennessee and in limited areas along the central Atlantic Coast. Portions of these areas have been helped by rains since the first of July. With no areas seriously short of pasturage, hay or grain increases in flocks and herds are likely to be general. The lush pastures have also stimulted milk production and reports received for July 1 show production per cow about 2% heavier than at the same time last year and higher than in other years since 1929. Egg production per 100 hens also continued higher than during June in past years.

Fruits developed under relatively favorable conditions during June in most important areas, and it now appears that no exceedingly short crops are in prospect except possibly for California dried prunes. Indicated production of peaches, pears, grapes, cherries and California plums is above average. However, the output of these fruits is expected to fall short of last year's large production except for cherries and California plums. The apricot crop, and the combined production of plums and prunes in the Northwest will be larger than last season but smaller than average. The condition of commercial apples is the same as last season at this time, but above average. Though it is too early for forecasts of citrus fruits from 1942 bloom, present prospects indicate the probability of large supplies for the 1942-43 marketing season.

Wheat

At 904,228,000 bushels, the 1942 wheat production is 4.4% less than the 945,937,000-bushel crop last year, but there have been only three larger crops since the 952,000,000-bushel crop in 1919. These were in 1928, 1931, and 1938. Improvement in prospects in the winter wheat States of the southern plains, and in the principal spring wheat States has added 36,000,000 bushels to the production estimate since June 1.

The 675,482,000 - bushel winter wheat production indicated on July 1 is about ½% above the 671,293,000-bushel production last year, and stands fifth in size in winter wheat records. The 228,806,000 bushels of all spring wheat production, although a little larger than indicated on June 1, is nearly 17% less than last year's 274,644,000-bushel crop. Durum production of 32,521,000 bushels is less than last year's 41,800,000-bushel crop by 22.3%. The indicated production of other spring wheat, 196,285,000 bushels, is 21% less than the 232,844,000 bushels produced last year. Compared with the 10-year (1930-39) averages, however, the July 1 prospects are up, 19% for winter and 28% for all spring. The 10-year period contained a number of years of drought, while this year the moisture situation has been unusually favorable.

The 50,639,000 acres of all wheat indicated for harvest in 1942 is 9.3% less than the 55,831,000 acres harvested last year. Winter wheat came through to spring under unusually favorable conditions for moisture supply and little winter loss. Including a considerable acreage of volunteer grain, the acreage for harvest is 36,454,000 acres, or 7.8% less than the 39,547,000 acres harvested last year. Reduced acreage allotments were largely responsible for a smaller acreage of spring wheat. Moreover, weather conditions last fall favored seeding the intended winter wheat acreage in most areas, and spring seeding was retarded by the late season and wet fields. The indicated seeded acreage of all spring wheat is 14,680,000 acres, compared with 16,741,000 acres seeded last year. The 10-year average is 21,762,000 acres. Under the favorable moisture conditions, the indicated abandonment of spring wheat acreage this year is very small, 3.5% compared with last year's unusually low abandonment of 2.7%. The acreage of all spring wheat for harvest is 14,185,000 acres, a 12.9% decrease from last year's 16,284,000 harvested acres. Durum and other spring wheat shared about proportionately in the decline in acreage compared with last year. The indicated acreage for harvest of durum is 2,164,000 acres and of other spring, 12,008,000 acres, 14.5% less durum and 12.6% less other spring.

Yields close to the highest on record are in prospect for both winter and spring wheat. The winter wheat yield of 18.6 bushels was exceeded in only one other year, the 19.0-bushel yield in 1931. The indicated spring wheat yield of 16.1 bushels stands second to last year's 16.9-bushel yield. The yield of durum is 15.0 bushels, compared with the record 16.4 bushels per acre last year, and the yield of other spring wheat is 16.3 bushels against last year's record of 16.9 bushels. The higher than average yield prospects prevail over the entire United States, except for winter wheat in Indiana, Illinois, and Missouri. There has been too much rain, continuing since fall in Illinois and Missouri, and resulting in flooded lowlands in Missouri during June. In the area of concentration of winter wheat acreage in the Southern Great Plains States there was remarkable recovery during June from the earlier threatened moisture shortage, and there has been ample rainfall for spring wheat, threatening to be too much from the standpoint of advancement of the crop and possibilities of leaf rust development. However, no black stem rust of consequence developed and red rust, although present, has not become a serious threat to yields, and the stage of possible damage is passing for all but the most northern spring wheat.

Stocks of old wheat on farms July 1, amounting to 159,544,000 bushels, were by far the largest on record for that date. A year earlier they were 87,366,000 bushels and the 10-year average is 59,691,000 bushels. Such stocks include wheat stored on farms under Government loan.

Corn

Corn production in 1942 is estimated at 2,627,823,000 bushels based on July 1 prospects. This is 45,000,000 bushels below the 1941 crop of 2,672,541,000 bushels but exceeds the 10-year (1930-39) average of 2,307,452,000 bushels by more than 300,000,000 bushels. The 10-year (1930-39) average, however, includes the two drought years, 1934 and 1936, when total production was 1,461,123,000 bushels and 1,507,089,000 bushels, respectively.

The indicated yield is 29.4 bushels compared with 31.0 bushels for 1941 and 23.5 bushels, the 10-year (1930-39) average. The acreage for harvest is 89,408,000 acres, more than 3,000,000 acres above the acreage in 1941.

Corn cultivation was delayed by cool wet June weather in much of the northern half of the country. Continued rains kept farmers from working in fields and the crop is more weedy than usual at this date. Despite delayed cultivation and a late start this season, corn was making good progress in most of the important areas of the Corn Belt, extending from the western edge of the belt in Nebraska and southeastern South Dakota through Iowa, northern Illinois and Indiana, extreme southern Minnesota, Wisconsin and Michigan, and most of Ohio. North of this area corn is late and development has been slow, while in southern Indiana and Illinois and throughout most of Missouri excessive rains have been detrimental to the crop.

Late June rains were of material benefit to corn in the South Atlantic States, South Central States east of the Mississippi, and in Texas, but in eastern Oklahoma there was too much moisture for the best development of the crop. Cool weather retarded growth of corn in the Western States but the crop was making satisfactory progress in the North Atlantic States notwithstanding some delay in planting and cultivation.

The 1942 acreage for harvest of 89,408,000 acres is nearly 4% above the 86,089,000 acres harvested in 1941 and is the largest acreage since 1938. The increase this year brought to a halt the decline in acreage which began in 1933 and except for 1935 and 1937, continued uninterrupted through 1941. Increases in acreage for harvest are general over the United States except in Southeastern, some Western and New England States.

The increase of 10% in the carn acreage allotments for the commercial corn area allowed by the Agricultural Adjustment Agency stimulated corn planting throughout the Corn Belt. Wet weather during the planting season, however, caused somewhat less than the intended acreage to be planted. A greater demand for feed grains to meet expanded livestock production needs encouraged corn acreage expansion but the increase was limited to some extent by shifting acreage to oil crops.

The acreage for harvest is larger than last year in all Corn Belt States. In the Western Corn Belt States increases range from 1% in North Dakota to 10% in Kansas, while eastern Corn Belt States increases are generally 3 to 7% higher than last year. In Iowa and Illinois acreage expansion was limited by increases in soybean acreage. Planting was delayed throughout the entire Corn Belt and considerable replanting was necassary.

The total acreage planted to corn this year is 91,098,000, 4.5% larger than in 1941. The indicated abandonment is 1.9%. The acreage planted with hybrid seed increased again this year with moderate gains in the Corn belt and substantial increases in surrounding areas. More than 90% of the corn acreage in Iowa, Illinois and Indiana was planted with hybrid seed this season.

Farm stocks of corn on July 1 were 760,052,000 bushels, only slightly larger than the 754,464,000 bushels on farms a year ago, but more than 300,000,000 bushels above the 10-year (1930-39) average of 457,831,000 bushels. Farm stocks were about 90,000,000 bushels below the record high stocks of July 1, 1939, and July 1, 1940. Disappearance of 526,668,000 bushels of corn from farms since April 1 was the largest on record. This compares with 444,675,000 bushels for the corresponding three-month period in 1941, and the 10-year (1930-39) average of 370,500,000 bushels. The July 1 estimate of farm stocks amounting to 760,052,000 bushels includes sealed corn under loan on farms but does not include stocks owned by the Commodity Credit Corporation and held in steel bins.

Oats

The 1942 oats production of 1,303,114,000 bushels, indicated by the July 1 condition, is nearly 11% larger than the 1941 crop of 1,176,107,000 bushels and 29% larger than the 10-year (1930-39) average of 1,007,141,000 bushels. This season's crop is the largest since 1928. A larger acreage for harvest, combined with higher yields, accounts for the increased production over 1941. The indicated yield of 34.2 bushels per acre on July 1 is an increase of one bushel over the average indicated on June 1, owing to favorable maturing conditions during the past month in nearly all regions. Yields above the 10-year average are indicated for all States excepting Delaware, Florida, Georgia, Oklahoma, and Texas.

The 1942 acreage of oats for harvest is 38,000,000, which is practically the same as the acreage harvested last year but 4% larger than the 10-year (1930-39) average. There is a wide variation between States in acreage changes this year. Decreases in Iowa, Minnesota, and Nebraska caused by increased competition from flaxseed, soybeans, and barley, and heavy acreage losses from greenbug damage in Texas and Oklahoma offset increases elsewhere. Where the acreage was increased it was a result of the need for larger feed grain production, more extensive use of oats as a nurse crop where wheat acreage was reduced, and low labor requirements. In addition, liberal AAA rulings permitted some oats to be harvested for grain rather than for hay or pasture as required in previous years, and there was less need for grain hay.

Total seedings for the 1942 crop were 40,600,000 acres or practically the same as indicated in March. In 1941 seedings were 39,363,000 acres. Prospective abandonment of acreage for grain is lighter than usual in the Corn Belt and in the Western States but the heaviest of record in Texas and Oklahoma where greenbugs destroyed a large acreage. Prospective abandonment for the country as a whole is 6.2%. Abandonment in 1941 was 3.5%. The 10-year average is 7.0%.

Farm stocks of oats on July 1, 1942, are estimated at 191,688,000 bushels. This supply is nearly 13% smaller than on July 1, 1941, but 23% larger than the 10-year (1930-39) average farm stocks of 155,661,000 bushels. Disappearance of oats during the period April 1 to July 1 was 238,877,000 bushels compared with 251,097,000 bushels for the same quarter a year ago, and 217,578,000 bushels for the 10-year (1930-39) average.

Barley

The largest acreage of barley ever harvested in the United States is estimated for 1942 at 16,756,000 acres. This is 19% more than the previous record of 14,049,000 acres harvested in 1941, and 56% above the 10-year (1930-39) average of 10,707,000 acres. A general increase has taken place this season with only six States showing decreases or no change from 1941. In the North Central group of States, which have nearly 66% of the total acreage, the increase is 12.7% over last year. Acreage increase in the four most important barley producing States, Minnesota, North Dakota, South Dakota, and Nebraska, is 1,212,000 acres, 45% of the total increase in the country. Decreases in acreage were reported only for New York, Wisconsin, Iowa, and Texas.

A barley crop of 403,345,000 bushels was in prospect on July 1, nearly 45,000,000 bushels, or 12.4% larger than the previous record crop of 1941 and about 178,000,000 bushels above average. This record production is due mostly to the increase in acreage, as the average yield per acre appears to be about 24.1 bushels, which is 5% less than in 1941.

The yield prospect in Minnesota is the same as in 1941, but in the other three important barley States, North and South Dakota, and Nebraska, the prospects are about 3.0 bushels per acre smaller than last year, when yields were very high.

Rye

The 1942 rye crop of 58,213,000 bushels exceeds the 1941 production by 13,000,000 bushels and the 10-year (1930-39) average production by nearly 20,000,000 bushels. The increase in production this year is the result of better yield per acre prospects and a general increase in acreage for harvest as grain.

The yield per acre at 15.0 bushels compares with 12.9 bushels in 1941 and the 10-year average of 11.2 bushels. Yields are expected to be much above 1941 in the two important States of Minnesota and South Dakota. In nearly all States prospects improved during the month of June.

The acreage of rye for harvest as grain in 1942 of 3,868,000 acres is 11% above the 3,498,000 acres harvested in 1941. The 10-year (1930-39) average is 3,320,000 acres harvested. The increase over 1941 is general except for six States including the important States of Minnesota and Wisconsin. The 1942 acreage is above average in nearly all States in the western half of the country and the Southern States, but is well below average in the Northern States from Minnesota and Iowa eastward.

Potatoes

The total 1942 planted acreage of potatoes is estimated at 2,844,700 acres. This is an increase of 1.8% over the 2,793,000 acres planted in 1941. Harvested acreage this season is expected to be about 2,797,700 acres compared with the 2,733,400 acres harvested in 1941 and the 10-year (1930-39) average of 3,295,600 acres. For the 30 late States a harvested acreage of 2.2% above 1941 is indicated. Idaho with an increase of 8% and Maine with 5% show the largest gain over 1941 among the more important States. Estimates for the early potato States show an increase in acreage of 2.7% over that harvested last year and the seven intermediate States also average 2.7% higher than for the 1941 season.

Potato production in the United States is forecast at 369,825,000 bushels on the basis of condition on July 1. This is 3% larger than the 1941 production of 357,783,000 bushels but is slightly lower than the 10-year (1930-39) average of 370,045,000 bushels. The indicated yield of 132.2 bushels per acre is 1.3 bushels above that for 1941 and is slightly above the 1940 record yield of 132.0 bushels. The 10-year average is only 112.6 bushels per acre.

Production is expected to be above last year in all principal areas except the central group of surplus late States (Michigan, Wisconsin, Minnesota, North Dakota, and South Dakota) where continued heavy rains in June delayed plantings and reduced both acreage and condition. In other regions the season has been quite favorable and vine growth for the late crop is reported as unusually heavy and insects and diseases under control.

The harvest of **early potatoes** is about completed in most of the Southern States with production indicated at 52,655,000 bushels for the whole group in comparison with 47,317,000 bushels last year and the 1930-39 average of 38,929,000 bushels.

Coffee Quotas Increased

The Inter - American Coffee Board meeting at Washington on July 15, approved an increase of 5,312,484 bags in American coffee quotas.

At the beginning of the next quota year—Sept. 30—quotas will be adjusted at 110% of basic quotas.

The increase approved is about 30% above quota of 17,618,494 bags previously fixed.

As result of this action the Board said "coffees which have arrived from a few countries in excess of existing quotas may be released from customs supervision and entered for immediate consumption."

The practical effect of this resolution, it added, will be to relieve certain coffee importers of small storage charges on these coffees which otherwise would be held in warehouse under customs supervision until next Oct. 1. While these charges are a relatively minor item in cost of coffee the board feels that everything possible should be done to remove any unnecessary or avoidable charges on coffee trade during these difficult times.

The Board said no increase in amount of coffee shipped to United States would result from current increase of quotas as advance shipments on next year's quota to an unlimited amount were authorized by the Board April 28.

The action is to be construed as evidence of the Board's desire to adapt itself to emergency conditions rather than as any change in its basic policy, it stated.

Says Auto Industry Now Delivering Daily To Armed Forces $12,000,000 In Equipment

Citing it as a new feat in military history, Paul Garrett, Vice-President of General Motors Corp. and Chairman of the Public Relations Committee of the Automotive Council for War Production, told the Council in Detroit on July 10 that the automobile industry "has been able to accelerate war production day by day until it is right now delivering for use by the armed forces $12,000,000 worth of military equipment a day."

The automotive industry had been conscious of its war responsibility from the beginning of the defense program and long before the Axis attack had many Army and Navy projects in mass production, Mr. Garrett asserted. "But the early December cloudburst of Nipponese over Hawaii threw people into a war panic," he continued. "Indifference turned to anger. Overnight, people wanted war production on the mass scale to which the automobile industry had accustomed their thinking. To complicate matters still more, the public collaterally began assigning us responsibility even faster than were the armed services.

"Suddenly everyone became impatient. Not in recent memory has this industry been so criticised as then for its alleged slow rate of conversion to war. Actually it was not a case of slow conversion. It was a case of changed psychology. Unfortunately the public did not understand how much time it takes to get into mass production on anything new, particularly on intricate war products with which the industry was not familiar."

But, Mr. Garrett explained. there has been an amazing reversal in public opinion toward this industry which had been "in the doghouse only last January," offering five outstanding achievements in explanation:

"First: Our industry through careful planning and an exchange of tools, procedures and ideas managed its shift to an all-out war effort with a maximum 'change-over' drop in employment only 12½% below December.

"Second: Our industry has been able to accelerate war production day by day until it is right now delivering for use by the armed forces $12,000,000 worth of military equipment a day. That is a new feat in military history. It is the nation's evidence of what it can expect through mass war production to back up our armed forces for their ultimate victory.

"Third: Our industry long experienced in subcontracting has done an outstanding job in utilizing to productive advantage the skills, facilities and production capacities of its suppliers, parts makers, and all its large group of auxiliary concerns included in the current term 'subcontractors.' Outstanding has been the contribution of automotive suppliers through their efficient procedures long established and which the industry has continued to utilize in tackling this new and highly technical job.

"Fourth: Our industry went through its critical period of change-over as a unit of private enterprise without need of Government control through voluntary cooperation of a large group of manufacturers and suppliers bent not on making an immediate showing so much as on laying the groundwork for a continuing long-range war production effort.

"Fifth: And, summing up all of these things, our industry in this short time has been able to achieve a complete sublimation of all normal industrial interests to the needs of a nation at war."

The good relations our industry now enjoys, Mr. Garrett declared, came partly from its success in doing a job on war production and partly from the better understanding people were given of how this feat was accomplished.

Regional Variations In War Industries

How the war program is affecting the national industrial pattern in ways highly significant for urban real estate is indicated in reports for new industrial construction during the past 12 months made to the National Association of Real Estate Boards in its 39th semi-annual survey of the real estate market. Of the 301 cities surveyed, 59% had some new industrial construction within the year Of defense areas surveyed, 67% had new industrial structures. Regional variations are pronounced in almost all war changes affecting real estate, the survey found. Under date of July 18 the Association also says:

"The Northwest leads the country in distribution of new industrial construction, with 75% of its cities reporting new plants or plant additions. The Great Lakes region is a close second with 74% of its cities so reporting. New industrial structures have been built in 64% of cities of the Southwest region, in 57% of cities in both the Central Atlantic and North Central regions, in 47% of New England cities, in 46% of the cities of the South Central region and in 44% of cities in the Southeast region.

"The larger the city the greater its chance for some new industrial construction, it is said. Such new building has taken place as follows:

"In 78% of all cities of over 500,000 population.

"In 74% of cities of 100,000-500,000 population.

"In 35% of cities of 25,000-100,000 population.

"In 40% of cities of under 25,000 population."

Hall Outlines Duties of Victory Fund Group

Perry E. Hall, Executive Manager of the Victory Fund Committee for the Second (New York) Federal Reserve District, on July 9 sent a letter to each Victory Fund regional chairman and committeeman summarizing general information and outlining the group's objectives. In his letter Mr. Hall says that the committee will cooperate with the War Savings Staff in the sale of Series F and G War Savings Bonds but will devote its energies principally to the sale of other Treasury issues, such as bills, notes, certificates of indebtedness, non-market "tap" issues, and regular market offerings of bonds. He noted that it is expected that the first call upon the committee from the Treasury will come late in July or early August, when the Treasury 2½% Registered Issue, due 1962-67, will be reopened as part of the major market financing in August. In the meantime, Mr. Hall said the committee's duties are:

"(a) To assist the War Savings Staff in the sale of Series F and G War Savings Bonds by directing your concentrated effort solely upon the banks and trust companies in your area, so that through their efforts the purchase of such War Savings Bonds by depositors and trustees will be stimulated.

"(b) To assist the Chairman of your Regional Committee in the preparation of lists of prospects to whom a large volume of the forthcoming Treasury War issues can be sold."

In making up lists of prospects to be approached to buy substantial amounts of securities, Mr. Hall pointed out that the following should be included:

"(a) Counties, particularly from the standpoint of permanent school funds, pension funds, and other sinking funds; cities, towns and villages; school districts; and other political subdivisions.

"(b) Individual investors capable of making substantial purchases (say in excess of $5,000), whether or not they have bought their quotas of War Savings Bonds, who may be prospects for additional forthcoming issues.

"(c) Savings banks, building and loan associations.

"(d) Insurance companies: life, casualty, fire.

"(e) Endowed institutions: universities, colleges, hospitals, orphanages, religious institutions.

"(f) Labor organizations, service groups, fraternal organizations.

"(g) Corporations which may have idle cash available (due perhaps to priorities) which cannot be used for the present in the normal course of business.

"(h) Small corporations having war contracts which may have produced 'new money' for investment."

Cotton Spinning Industry For June 1942

The Bureau of the Census announced on July 20, that according to preliminary figures 24,019,598 cotton spinning spindles were in place in the United tates on June 30, 1942, of which 23,090,560 were operated at some time during the month, compared with 23,120,666 for May, 23,100,202 for April, 23,096,479 for March, 23,077,722 for February, 23,077,352 for January, and 22,994,980 for June, 1941. The aggregate number of active spindle hours reported for the month was 11,264,419,347. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during June 1942 at 133.2% capacity. This percentage compares, on the same basis, with 138.4 for May, 135.3 for April, 134.3 for March, 135.9 for February, 136.9 for January, and 121.5 for June, 1941. The average number of active spindle hours per spindle in place for the month was 469.

Acute Civilian Goods Shortage Is Foreseen

The Cleveland Trust Co., in the current issue of its "Business Bulletin" released July 15, predicts that general shortages in civilian goods may develop by the end of this year.

From the review, the following is taken:

"We must plan on a period of years during which our one big business will be war, and most other businesses will be directly or indirectly subsidiaries of that big one. The Army, the Navy, the Air Forces and the munitions factories will absorb so much man power, that all the other businesses will be short of it.

"Probably shortages in civilian goods will begin to be generally felt at about the time that there is general realization that the man-power shortage is becoming serious. It might well be a safe guess that these conditions may develop by the end of this year. Of course we already have shortages of many materials, but except in the single case of rubber they have not as yet had much effect on family life. That condition is sure to change, and we shall all experience shortages of goods as well as knowing about shortages of materials. These changes are inevitable but we can not as yet foresee their nature with much certainty. They will be diverse and multiple, and no doubt many of them will be unexpected."

I Am An American

By E. B. TERHUNE,

Vice-President of Chilton Co., Inc.

(Reprinted from a recent issue of Printers Ink)

Just one of a great number of ordinary, hard-working, fairly conscientious middle-class citizens who have grinned, groaned, and growled through twenty-five years of war, near-peace, and more war—ups and downs, booms and busts.

These years have affected me directly and indirectly, perpendicularly and horizontally, positively and negatively, specifically and generally, with and without.

I have been bombarded, deluged, overwhelmed with charts, statistics, graphs, and opinions from economic card-readers, congenital star observers and neurotic crystal gazers in forty-eight different states and ninety-nine different languages.

I have been Kiplingered, Babsoned, Ayred, Galluped and Brookmired until I am well-nigh cuckoo, groggy, cockeyed and flambolluxed.

My mind has been open, receptive and flexible to every new thought, principle, philosophy and panacea for human ills and ailments.

And now, to cap the climax, I have had it projected into my feverish brain that it's a grand and glorious condition to be poor again; that there's a real thrill in discovering how much you can get along without and how little you can get along with; how much more interesting and odoriferous a B. M. T. subway is than a luxuriously upholstered Buick; or a 10-cent movie on Third Avenue than the perfumed cinema palace (94 cents) on Broadway; how proud I should be to display that 1937 tailor's label in the inside pocket of my old grey suit; how good a job Pietro Bambino can do in re-soling my old shoes for $2.25.

But, brother—and here's where I come out of the ether—I want to tell you it's all plain boloney!

Of course we are in a war—who the hell thinks otherwise—and we have got to make sacrifices, more sacrifices and still more sacrifices, until we have bombed the vicious forces of Hit, and Muss and Hiro off the face of the earth.

We have got to buy bonds, and more bonds, pay taxes and more taxes, take cuts and more cuts.

But, you and I and all the rest of us are accustomed to a high standard of living, and we will never be satisfied with anything less than just that; and our rational dissatisfaction is the very motive power that is going to drive us on to prosperity again.

Man, the human form, is constructed to move forward. Man is the one living creature that is always dissatisfied with fixed conditions.

He must move forward.

Each day the rails of our great transportation systems are being worn down by the thousands of trains that are thundering in all directions.

Each day the motors of millions of automobiles that are speeding along our highways and byways are becoming worn down and out and approaching obsolescence.

Each day, the sun and wind and rain and snow are beating upon our roofs and causing deterioration and decay.

Each day the pots and pans and kettles and things under those roofs are falling prey to the ever-active tyrant—Wear.

Each day, the coats and suits and stockings and shoes of 130,000,000 restless people are falling upon evil days.

Each day, new babies are being born to be fed and clothed and cared for and educated up to their three score and ten years of existence.

Each day, the requirements of our people are getting heavier and the vacuum of replacement greater.

Each day we are nearer the ending of the War, the beginning of Peace—and the overwhelming reconstruction period which will follow.

In my own case, in order to replenish the old darned sock, I intend to carry out the following program:

I am determined to keep my chin up and my grin intact; to pay my individual share of the war's cost with courage, confidence and conviction; to do a little better job; to make my business render a greater and broader wartime service; to shout my wares from the house tops in spite of War's raucous din. I shall endeavor to be a useful cog in the economic wheel; I shall to the best of my ability help the other fellow get on his feet again. I shall punch the schnozzle of the pessimist and the slanderer of good times. I shall once again dare to look and march forward.

And for all of this I shall expect—and get—a cleaner, finer world in which to live and a better reward for my efforts.

Then I can go places and do things.

All of which I insist upon—

BECAUSE I AM AN AMERICAN!

Separate Rubber Board Opposed By Nelson

Donald M. Nelson, Chairman of the War Production Board, told a Senate Agriculture Subcommittee on July 14 that he expected the synthetic rubber output this year to total 32,300 tons and next year about 338,000 tons, with production in 1944 about 676,000 tons.

Mr. Nelson appeared before the Senate group in opposition to a bill seeking to create an independent rubber supply agency with power to divert critical materials to the construction of facilities for the production of additional synthetic rubber from alcohol as the base material. The Senate subcommittee investigating the synthetic rubber program has voiced dissatisfaction over the WPB's refusal to revise the program so as to use more grain for alcohol production.

It is the scarcity of critical materials for plant construction, Mr. Nelson said, and not the lack of available processes for manufacture, that limits the Government's synthetic rubber production program to 800,000 tons.

Saying that the construction phase of the Government's program is moving forward with great speed, the WPB Chairman pointed out that the present 800,000 ton program was determined upon "after most searching review of rubber requirements for military and essential civilian needs and after fullest consideration of the extent to which critical materials required for that program could be taken from other essential segments of war production."

Mr. Nelson added that it would be a "rash act" at this stage of the war production program for Congress to require the diversion of the great amount of critical materials necessary to accomplish the objective of the proposed bill—to provide supplies of rubber sufficient to meet the military and civilian needs of the United States. In explanation of his stand on the bill, Mr. Nelson said that the present 800,000-ton synthetic rubber program calls for 122,000 tons of steel plate, 210,000 tons of other steel, over 7,000 tons of copper, bronze and brass, and abount 170,000 horse power of compressor capacity.

The WPB Chairman also objected to the bill because it would split up the centralized control of the flow of materials between separate agencies, thus tending to obstruct the progress of the war effort.

Of the total program of 800,000 tons, present plans, Mr. Nelson said, called for 700,000 tons of Buna S, including 200,000 tons from alcohol, 20,000 tons from benzine and the rest from petroleum.

Chairman Nelson further declared that the necessary phases of the rubber program would probably be met by 1944. Among these he listed military needs, including those of our allies; necessary civilian needs, such as driving people to work, and essential needs of the community, such as supplying tires for health, fire and police services. He added "that the use of the automobile for purely pleasure driving will have to await the end of the war."

Mr. Nelson's previous testimony in opposition to the bill for an independent rubber agency was reported in these columns of July 16, page 192.

NY Factory Employment Down 2.7% During June

Industrial Commissioner Frieda S. Miller, in a statement released July 14, reported losses from May to June of 2.7% in employment and of 3.0% in payrolls at New York State factories. The large losses reported by civilian goods plants, particularly those making apparel, were mainly responsible for the drops in the totals. Most war goods plants continued to expand, but several shipyards engaged in repair work reported substantial layoffs.

"The New York State Department of Labor's index of factory employment, based on the 1935-39 average as 100, dropped to 140.1 (preliminary). The corresponding payroll index was 212.7. Compared with June, 1941, there were 8% more workers employed this June on a payroll that was 28% higher. Preliminary tabulations of the reports from 2,718 firms throughout the State form the basis for the statements made in this analysis. These firms employed 583,208 workers in June on a payroll of $21,978,601 for the middle week of the month. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the monthly collection, tabulation and analysis of these reports."

Jones Warns Of Grave Dangers Of Inflation

Secretary of Commerce Jesse Jones, in a recent radio address, warned that the "American people will have over $30,000,000,000 more income in 1943 than the value of things for which the money can be spent" and termed this "a potential 'inflationary gap' greater than any the world has ever known." Saying that "if we permit that much money to run wild, it will cause very great damage to our whole economy by sky-rocketing prices," Mr. Jones urged that these extra billions be used to "share the cost of war through taxation, pay our debts and put the balance in war bonds and stamps to help pay the cost of the war and to accumulate savings that we will need when the war is over. He added that the American people "will do well to follow President Roosevelt's national economic policy to control inflation, which was laid down in April."

Secretary Jones further declared:

"It is impossible for any individual or for any group of persons to benefit from inflation without suffering its penalties. This is equally true of the business man, the professional man, the farmer, the worker, and the investor. Both our individual solvency and our national solvency depend upon the stability of the purchasing power of our money—our medium of exchange at home and abroad. . . .

"If we can come out of this conflict with our private debts greatly reduced, and with a substantial investment in our country's future in the form of war bonds, we will be in a better position to undertake conversion from war to peace and to make other necessary adjustments.

"If we adopt and observe the economic policy which the President has outlined, the problem of turning our plants from war to peace will not be the hobgoblin that some people try to make us think.

"American ingenuity adapted many peace-time tools to war purposes with astonishing speed. The change-over for the nation from war to peace need not take any more time than changing from peace to war.

"When the war is over, we will have productive capacity far beyond any that either we or the world has ever known. We will be in a position to make products that the world will need for the tremendous job of reconstruction, and we will need our savings to finance them.

"This great productive capacity can, however, be a Frankenstein if the people are not prepared and equipped to buy what our factories can produce. That is why it will be wise not to spend unnecessarily now."

Market Transactions In Govts. For June

Market transactions in Government securities for Treasury investment and other accounts in June, 1942, resulted in net sales of $250,000, Secretary Morgenthau announced on July 15. This compares with net purchases of $16,525 in May.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—		
July	No sales or	purchases
August	No sales or	purchases
September	$300,000	sold
October	4,400,000	sold
November	284,000	sold
December	1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743,350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold
November	No sales or	purchases
December	$60,004,000	purchased
1942—		
January	$520,700	sold
February	29,980,000	purchased
March	5,814,450	purchased
April	300,000	purchased
May	16,625	purchased
June	250,000	sold

Committee To Study War Damage Insurance

State Superintendent of Insurance Louis H. Pink, who is acting as Coordinator on War Damage Insurance for the National Association of Insurance Commissioners, has announced the appointment of a committee to study the possibility of bridging any gap that may exist between the government coverage and that of private companies. The study will be directed along three lines:

(1) A delineation of the coverage of the War Damage Corporation.

(2) An effort to extend private coverage, if necessary, to bridge any gap.

(3) Consideration of the possibility of providing coverage for consequential war damage not contemplated by the government plan.

In appointing the committee, which will function not only for the New York Department but for all the supervising officials, Superintendent Pink emphasized that, as might be expected, the introduction of this new form of coverage has brought with it innumerable unanswered questions. It is hoped that as a result of this study acceptable answers to many of the questions can be found which, in turn, should prove helpful not only to the Insurance Commissioners but also to the insurance companies and producing forces, the insuring public and to the War Damage Corporation itself. The objective will be solely to cooperate with the War Damage Corporation and to assist in eliminating existing uncertainties. It will also give consideration to the extent possible, to any needed coverages not now available.

The committee is composed of the following:

Edward McLoughlin, Deputy Superintendent, Chairman.

H. C. Conick, Assistant United States Manager, Royal Insurance Co., Ltd.

William D. Winter, President, Atlantic Mutual Insurance Co.

W. H. LaBoyteaux, President, Johnson & Higgins.

Harold Wayne, Secretary-Manager, Inland Marine Underwriters Association.

A. J. Smith, President, Association of Local Agents of the City of New York.

George F. Sullivan, President, General Brokers Association.

Joseph F. Collins, Chief of Rating Bureau, New York Department.

Charles E. Ryan, Chief of Fire & Marine Bureau, New York Department.

Commerce Chamber Report On Farm Mtg. Legislation

The Department Committee for Agriculture of the U. S. Chamber of Commerce has issued a report analyzing Federal farm mortgage credit legislation. The purpose of the report, it is explained, "is to describe significant features of proposed legislation which, if adopted by Congress, may largely determine by whom the future control of farm mortgage credit in the United States will be exercised." With respect to its recommendations the committee says:

"At the present time the National Chamber is on record as favoring farmer control of the Federal Land Banks in accordance with the provisions of the original Federal Farm Loan Act passed in 1916. This Act provided for active management of the banks by representatives of the stockholders subject to the supervision of a Federal agency and included farmer liability.

"In furtherance of that position and also with a view to preventing the centralization of authority with respect to the Federal Land banks, the Committee recommends such changes in existing law as will restrict the authority and functions of the Farm Credit Administration with respect to the Land Banks and Loan Associations to the following:

"First, the making of such examinations of the Federal Land Banks and Associations and the preparation of such reports by the Farm Credit Administration as will provide full and accurate information on the financial status of all Federal Land Banks and Federal Farm Loan Associations as is required of other banks and other lending agencies under Federal supervision.

"Second, the formulation and enforcement of such general regulations respecting procedure and administration as will promote uniformity of procedure and as will adequately protect the interests of the farmer-borrowers, the investing public and the government without preventing the exercise of ordinary administrative discretion on the part of officials in charge of the banks and the associations.

"Third, the marketing and redemption of the bonds of the Banks in order that the Banks may have the benefit of volume transactions and skilled services."

May Farm Cash Income Far Ahead Of Year Ago

Cash income from farm marketings in May, totaling $988,000,000, was only slightly higher than the revised estimate of $982,000,000 for April but 32% more than in May last year, the Department of Agriculture announces. Despite a rise of 2 points in prices received by farmers from mid-April to mid-May, income from farm marketings increased less than usual. Marketings of cattle declined from April to May instead of making the usual seasonal increase and marketings of poultry and dairy products increased somewhat less than usual, resulting in a decline of about 7% in the seasonally adjusted income from livestock and livestock products. Income from crops declined seasonally from April to May. Income from fruits, particularly from strawberries and from citrus fruits, was up sharply in May, but the lateness of the season retarded the seasonal increase in income from truck crops. Receipts from grains declined more than usual. The Agriculture Department further reported:

"Government payments for March and April amounted to $162,000,000 and in May totaled $37,000,000. For the first 5 months of 1942 Government payments totaled $389,000,000, compared with $303,000,000 from January to May last year. Cash farm income including Government payments from January to May this year totaled $5,098,000,000, compared with $3,542,000,000 last year.

"During the first 5 months of 1942 cash income from farm marketings totaled $4,709,000,000, compared with $3,239,000,000 in the first 5 months of 1941. Income from crops was up 39%, while income from livestock and livestock products recorded a 48% increase from January to May, 1942, over the corresponding period of 1941. Returns from nearly all cmmodities during this period have been somewhat higher than a year earlier, but the greatest increases in income have been from soybeans, potatoes, rice, hogs, cattle, and eggs, and milk sold at wholesale."

Earnings, Payrolls At New Peak In May

Hourly and weekly earnings and payrolls reached new peak levels in May, according to the regular monthly survey of 25 manufacturing industries by the Conference Board.

The Board's announcement follows:

"Manufacturers met the largest payroll as yet attained in the Board's surveys, as the 0.3% increase in May brought it to a new peak, 31.1% higher than the level of May, 1941, and 77.8 higher than the level of 1929. Workers in the industries covered received a weekly return of $38.93, a new record, by working 42.7 hours at $.905 per hour. This was an increase of 0.6% over the average of $38.68 reached in April. Hourly earnings advanced 1.0% above the April level, 13.3% over May, 1941 and 53.4% above 1929. Since May, 1941 increased hours worked coupled with increased hourly earnings have caused a rise of 17.5% in weekly earnings. Since 1929, weekly earnings have risen 36.4%.

"'Real' weekly earnings, or dollar earnings adjusted for changes in the cost of living, were also at the highest level ever recorded in these surveys. The 0.5% advance in May was due to a rise of 0.6% in weekly earnings while living costs rose only 0.2%. The May level was 5.6% above that of May, 1941, and 40.3 above that in 1929.

"The average length of the work week declined 0.2% between April and May. The May level of 42.7 hours, however, remained 3.4% higher than in May of the previous year, and 11.6% below the average for 1929. Man hours fell 0.6% between the two months but was 15.3% above the level for May, 1941 and 15.2 above that in 1929.

"Hourly earnings from the start of the war until the middle of 1940 advanced 0.3 to 0.4% per month. In December, 1940, hourly earnings rose 0.7% and since that time there has been an increase of 0.7% or more each month with the exception of July, 1941, and February, 1942. The average monthly increase of 0.9% for the first five months of 1942 was only slightly less than the 1.1% average monthly increase for 1941, despite unusually high increases for some months in 1941 efforts to curtail widespread wage-rate increases in 1942.

"The gradually increasing length of the work week has accounted in part for the steady increase in hourly earnings by causing increased overtime and premium payments, but the widespread wage-rate increases of the past two years have been a more important factor.

"Weekly earnings have shown a gradual upward trend since June, 1940. In the last seven months of that year the average increase was 1.3%, in 1941, 1.5% and in the first five months of 1942, 1.6%. The largest single increase was 4.2% in January, 1942."

June Life Insurance Sales Decline

The sales of ordinary life insurance in the United States in June amounted to $463,325,000, about 19% below the volume sold in the corresponding period of 1941, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first six months of 1942, however, continues ahead of last year, amounting to $3,572,247,000, or 4% above the amount sold in the same period of 1941.

The sale volume and the ratios for all sections are reported by the Bureau as follows:

	JUNE 1942		YEAR TO DATE	
	Sales Volume in $1,000	Ratios '42-'41 All Cos.	Sales Volume in $1,000	Ratios '42-'41 All Cos.
U. S. Total	$463,325	78%	$3,572,247	104%
New Engl'd	37,029	79%	286,804	103%
M. Atlantic	117,577	75%	973,753	103%
E. N. Cent	106,796	80%	808,736	102%
W. N. Cent.	47,660	86%	342,156	107%
S. Atlantic	44,407	71%	339,253	99%
E. S. Cent.	19,182	73%	143,865	104%
W. S. Cent.	32,247	72%	255,339	102%
Mountain	12,268	78%	88,046	100%
Pacific	46,139	88%	334,245	114%

OPA Revises Rules To Allow Adjustments

The Office of Price Administration announced on July 9 an amendment to the General Maximum Price Regulation establishing procedure under which manufacturers and wholesalers can apply directly to OPA for adjustments of their ceiling prices as established under the price ceiling. Prior to the amendment, effective July 14, the general regulation allowed application for adjustment of out-of-line prices only by retailers. Wholesalers and manufacturers suffering hardship from the price order had to petition for an amendment to the regulation. This action gives producers, manufacturers and wholesalers the benefit of the simpler, more flexible and speedier procedure set up for retailers, it was said.

The amendment also permits "any duly authorized officer" of OPA to order adjustment in ceiling prices. It was explained that this opens the way for further decentralization of the administration of the price regulation by permitting Mr. Henderson to designate regional officials to make adjustments in local cases. Already, regional offices are permitted to make adjustments for retailers in purely localized cases.

Amendment No. 10 rewrites Section 18 of the General Maximum Price Regulation, permitting OPA to issue an order for adjustment of ceiling prices under these three circumstances:

1. For retailer who shows that his maximum price is abnormally low in relation to his competitors and causes him substantial hardship. (This provision contains no substantive change from the original provision in the regulation.)

2. For any seller other than a retailer (manufacturers, wholesalers, etc.) who shows that (a) a maximum price is abnormally low in relation to his competitors and causes him substantial hardship, and (b) that the adjusted price will not cause or threaten to cause an increase in the level of retail prices.

3. For all sellers, including retailers, seeking relief on any other basis whose case is typical of other sellers suffering similar hardship and for whom the granting of relief will not jeopardize the purposes of the price regulation to eliminate the danger of inflation.

Cotton Consumption In June At High Peak

Under date of July 14, 1942, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles. In the month of June, 1942, cotton consumed amounted to 966,940 bales of lint and 127,219 bales of linters, as compared with 957,015 bales of lint and 132,390 bales of linters in May, 1942, and 875,812 bales of lint and 126,405 bales of linters in June, 1941. May consumption of cotton includes 300 bales distributed by Surplus Marketing Administration through various cotton mattress programs.

For the 11 months ending June 30, cotton consumption was 10,169,448 bales of lint and 1,368,927 bales of linters, against 8,791,921 bales of lint and 1,224,293 bales of linters in the same 11 months a year ago.

There were 2,441,130 bales of lint and 480,843 bales of linters on hand in consuming establishments on June 30, 1942, which compares with 1,920,197 bales of lint and 472,216 bales of linters on June 30, 1942.

8,458,912 bales of lint and 122,243 bales of linters were on hand in public storage and at compresses on June 30, 1942, and 10,547,730 bales of lint and 78,941 bales of linters on June 30, 1941.

There were 23,090,560 cotton spindles active during June, 1942, which compares with 22,994,980 active cotton spindles during June, 1941.

Paton Made Executive

George Gordon Paton, formerly the economist for the New York Coffee and Sugar Exchange, was appointed Executive Vice-President of the Commodity Research Bureau, Inc., New York, at a meeting of the Board of Directors held on July 13, it was announced by Harry Jiler, President.

Mr. Paton will have direct charge of all the Bureau's coffee and sugar activities, which include "Coffee Intelligence" and "Sugar Intelligence," fortnightly reports to the trades. He will also be one of the three members of the Bureau's Editorial Board which is in charge of the compilation of the 1942 Commodity encyclopedia, an analysis covering production, uses, prices, substitutes, etc., of 1,000 raw materials entering American commerce.

Kenneth H. Paton, Vice-President of the Bureau, is on indefinite leave of absence as an officer in the United States Navy.

American Industries Form Salvage Comm.

Formation of the American Industries Salvage Committee, representing groups of leading industrial concerns who are working with the Conservation Division of the War Production Board to help speed the collection of vital scrap materials, has been announced by Robert W. Wolcott, Chairman of the group and President of Lukens Steel Co. Other members of the administrative committee directing the nationwide $2,000,000 campaign are: Charles R. Hook, President of the American Rolling Mill Co., Vice Chairman; R. S. Wilson, representing Rubber Manufacturers Association; and O. E. Mount, representing Steel Founders' Society of America. An announcement in the matter says:

"The work of the committee, backing up a broad advertising program, will be two-fold: one, to reach every manufacturing and business firm in the nation to impress upon them the absolute necessity of getting their scrap on the way to the production line; and, two, to get business men cooperating with the local salvage committees of WPB already set up in 12,000 communities.

"The activities of the committee will be closely coordinated with the present intensified scrap collection drive of the WPB, according to Mr. Wolcott. In this connection, the committee is underwriting the cost of an extensive national advertising campaign approved by the War Production Board, with a number of major industries underwriting the costs.

"The advertising being carried on in newspapers, magazines, farm and trade papers and on the air, focuses the spotlight of public attention upon the need for iron and steel scrap, non-ferrous metals, rags, burlap, rubber, tin cans (in some localities), and waste cooking fats.

"Supplementing contacts with industry already established by the Industrial Salvage Division of WPB, the American Industries Salvage Committee will make a direct approach to individual industrial concerns, working through industry chairmen who are now being appointed."

Urges Property Owners To Resist Higher Tax

The nearly 45% of the nation's families who own and occupy their own homes or flats should prepare now to resist possible attempts of municipal authorities to increase property taxes in the next two years when many municipalities may seek to make real estate carry the burden of revenue losses from other sources, it is stated by Frederick P. Champ, on July 18, President of the Mortgage Bankers Association of America, in a study by the organiaztion. Mr. Champ said:

"In recent years property taxes have furnished an average of about 80% of total municipal revenues. Most current municipal budgets were set up nearly a year ago when present-day conditions could not be foreseen. Civilian defense expenditures for many are running fairly high. Some are running utility services to new war plants. The decline in gasoline taxes primarily affects the States but some cities have similar taxes and some collect a portion of the State levy.

"Thus, as often before, assessors and tax collectors turn their attention to real estate. But this time property owners must try to call a halt. Real estate cannot carry a heavier tax burden than it is now. Municipal authorities must be told convincingly that the solution this time isn't the easiest way out but lies in affecting real economies and drastic cuts in useless—and in many cases purely political—expenditures."

Canadian Industrial Activity Remains High

Industrial activity in Canada continues to rise, according to the "Monthly Commercial Letter" of the Canadian Bank of Commerce, Toronto, prepared by A. E. Arscott, general manager. The bank's index registered 175 at mid-June (1937=100), compared with 169 at mid-May. Evidence of increasing use of installed factory capacity is shown in the rise in the percentage utilized from 116 to 118. This follows a period of but slight change during which plant extensions were only beginning to be fully utilized.

The bank further reported:

"The foodstuff group was lower than in May or in June, 1941, but clothing as a whole remained the same as the month before, an increase in men's clothing and in woolen goods offsetting moderate declines in other textiles and in footwear. Nearly every category of the pulp and paper group declined slightly, but other wood products rose, especially lumber, furniture and miscellaneous articles.

"The automotive trades recorded a slight upturn but were still considerably below the level of a year ago. The heavy section of the iron and steel trades continued to rise, but the medium and light sections declined slightly."

More Savs. Loan Ass'ns Covered By Fed. Ins.

Protection for the savings of some 55,000 investors in 39 more thrift and home-financing institutions was extended by the Federal Savings and Loan Insurance Corporation during the first six months of 1942, Oscar R. Kreutz, General Manager of the Corporation, announced on July 18. The 39 associations recently accepted for insurance have assets in excess of $54,000,000, it is stated the corporation protects investors in insured institutions up to $5,000 each. "These additions" said Mr. Kreutz, "mean that the Insurance Corporation's protection now covers some 3,200,000 investors in 2,375 institutions with assets of more than $3,400,000,000." The Federal Savings and Loan Insurance Corporation, created in 1934 with a capital of $100,000,000, has built up reserves and surplus of more than $33,000,000, it is pointed out.

President Hopes France May Soon Enjoy Liberty

President Roosevelt on July 13 expressed the hope that "the people of France may soon again enjoy the blessings of liberty, equality and fraternity."

In a brief Bastille Day message, issued at the request of "Pour La Victoire," a French-language newspaper in New York City, the President said:

"On this anniversary, which has so deep a significance to every lover of democracy, I express the hope that the people of France may soon again enjoy the blessings of liberty, equality and fraternity."

Bastille Day (July 14) is the French national holiday, commemorating the anniversary of the storming of the prison during the French Revolution.

At the French Embassy in Washington a reception was given on July 14 by Gaston Henry-Haye, the French Ambassador. It was attended by diplomats of neutral countries and Latin America. The Ambassador declared that France will rise again "still imbued with an ideal" and pledged that "France will remain faithful to her traditional friendships that unfortunate misunderstandings due to the anxieties of this sad period will not succeed to impair."

House Passes $6 Billion Tax Bill

(Continued from First Page)

pressed indignation at the rule under which the bill was considered. This account added in part:

"This limited debate to ten minutes on any amendment offered by the Ways and Means Committee which, under the rule, was the only source that could submit proposed changes.

"When the committee amendment was introduced by Mr. Doughton, it contained a series of changes and demands were made that the changes be divided so as to have separate votes on them. After much wrangling, however, the demands were withdrawn except as to separate votes on the normal-surtax and excess profits rate.

"Secretary Morgenthau did not comment at his press conference on the House's action, except to say that the Treasury's original goal of $8,700,000,000 in war revenue would be continued to be sought, indicating he would ask the Senate Finance Committee to restore many of the recommendations refused by the Ways and Means Committee.

"According to Treasury estimates the bill would bring in $2,640,700,000 from corporations; $2,872,300,000 from individuals, and $758,200,000 from new or increased excise tax levies.

"Although far short of the Treasury's goal, the measure now goes to the Senate where its Finance Committee will hear Secretary Morgenthau and his tax adviser, Randolph Paul, next Thursday and Friday. They are expected to restate the views they gave to the Ways and Means Committee. Mr. Morgenthau commented today that the original aims had not been changed, nor the original figures. He said further that President Roosevelt had not altered his views."

It was pointed out in Associated Press, July 20, Washington advices that the committee before reporting the bill, took no action on the question of post-war credits for corporations based on their excess profits taxes—a provision once approved but later discarded.

It was likewise noted that the measure would take $19 of each $100 of taxable income of individuals in the lowest brackets and $45 of each $100 of the taxable income of corporations, plus 90% of their so-called excess profits.

The bill provides for the collection of individual income taxes through payroll deductions of 5% of taxable net income, beginning Jan. 1 next, with the amount credited against 1943 taxes due in 1944.

The principal provisions of the bill as passed by the House were summarized as follows in Associated Press advices from Washington, July 20.

"Individuals — Present normal income tax increased from 4 to 6% and surtaxes which now range from 6 to 77% increased to from 13 to 82%, with the top bracket of 82% affecting net incomes over $200,000. Personal exemptions reduced from $1,500 to $1,200 for married couples and from $750 to $500 for single persons. Collection of individual income taxes at the sources beginning in January at the rate of 5% of the difference between the amount of each pay check or pay envelope and personal exemptions plus deductions for the pay period. The rate would be 10% in 1944. All withholdings would apply against the next year's tax bill. Estimated yield from individuals, $2,906,300,000.

Corporations — Present graduated excess profits tax of from 35 to 60% replaced by flat 90%, with the specific exemption to which all corporations are entitled raised from $5,000 to $10,000. On that part of income not subject to excess profits taxes, a 24% normal and 21% surtax would be imposed on corporations with earnings in excess of $25,000. Present rates are 24 and 7%. Estimated yield, $2,479,400,000.

Miscellaneous—Increased excise taxes on liquor, beer, wines, cigarettes, smoking tobacco, cigars, lubricating oil, photographic apparatus, telephone and telegraph bills, train, bus, plane and other transportation fares, and new taxes on freight and express shipments and on pari-mutuel bets. Estimated yield, $758,200,000.

In a statement accompanying the Ways and Means Committee's report to the House on July 15, it was stated in special advices on that date to the New York "Times," Representative Treadway of Massachusetts, the ranking minority member, said it was inevitable that there would have to be a tax bill later. But he said it was better for all taxpayers that the burden be increased only gradually." He was likewise quoted in the same advices as follows:

"Inasmuch as further increases in taxes may be reasonably anticipated, it may be argued that we might as well go the whole limit now and have it over with. It is my own view, however, that taxpayers, individual and corporate, can stand a greater ultimate burden if it is imposed gradually, so that they have an opportunity to make the necessary adjustments as we go along.

"Ten years ago, the Federal tax burden was two billions annually. By 1938, it had been increased to 5.8 billions. In 1941, it was 7.6 billions. In the fiscal year 1942, just closed, it was 12 billions. In the current fiscal year, it will be 18 billions, including pay roll taxes under the Social Security Act. Under the pending bill, it would be increased to 24 billions, or twelve times the 1932 level.

"There, of course, is a limit to the amount of taxes which can be borne by business and the people. When excessive, taxes defeat their own purpose by drying up the source. It has been well said that we can tax and tax, but we can confiscate but once.

"The committee has tried to keep the proposed increase in taxes within reasonable bounds, and in most respects it has succeeded."

When House debate on the bill (begun on July 16) was concluded on July 18 the sales tax figured at length in the discussion, with Representative Carlson (Rep., Kan.) telling the House that "we have reached that emergency" which requires such a levy. Associated Press accounts from which we quote added:

"Mr. Carlson said a sales tax was not based on ability to pay, was unorthodox and should not be levied except in emergencies. But it is my contention that we have reached that emergency," he said.

"No one can contemplate with pleasure the imposition of heavier taxes upon those with low incomes, but that is not the choice that faces us today. We need every dollar of revenue we can raise and that means more taxes all along the line.

"I do not want to advocate a sales tax, but I am realistic enough to realize we are rapidly approaching one."

The Ways and Means Committee, of which Mr. Carlson is a member, refused to consider a sales tax before bringing the big bill to the floor.

Representative McKeough (D., Ill.) followed immediately with a statement that the sales tax would do "a gross injustice to those in the lower income groups" and said that in his opinion the committee decision to reduce the individual exemption from $750 to $500 for a single person was wrong.

According to the Associated Press, Senator George, Chairman of the Senate Finance Committee, indicated on July 18 that the Senate contemplated major changes when he forecast a vote in that chamber would not be taken before late August or early September. It was further stated:

"Just what changes Senator George and Administration leaders had in mind they would not disclose, but after a White House conference with President Roosevelt and Treasury Secretary Morgenthau, the Georgian said certain inequities in the bill should be corrected to bring the total expected yield up to the Treasury goal of $8,700,000,000.

"Speculation as to what changes the Administration desired centered around increases in corporate tax rates and a return to the controversial mandatory joint income tax return for married couples.

"The House Ways and Means Committee once approved the mandatory return principle only to reverse itself later."

From Washington

(Continued from First Page)

scene that in all of Congress' wrangling with Leon, no one made the proposal, although it was widely discussed privately, to turn the price fixing administration over to an agency which has long had the necessary machinery, which would, in fact, need scarcely any augmenting to do the job.

The Federal Trade Commission was set up by Woodrow Wilson to serve as a monitor of business. It has hordes of agents, is eternally prying into businesses' affairs, calling for reports, making investigations and what not. Yet notwithstanding all of this nuisance activity and the fact that it occupies an ornate building dedicated to it, it has largely passed into innocuous deseutude as Grover Cleveland once said. The NRA sent it into eclipse and Truman Arnold has taken over all of the trust busting activities with his greatly enlarged force. These activities, except the actual prosecutions in court, were the original province of the Commission.

Members of the Commission realized at the outset that the agency was the logical one to administer price fixing but their attitude has long since been to keep their mouths shut, keep the spotlight away from them and just hold onto their jobs. It is pointed out that Henderson could even have been made Chairman of the Commission, if it was considered one of his aggressiveness was needed on the job.

We had price fixing in World War No. 1, of course. It was administered by Herbert Hoover with nothing like the money, staff or effort which Henderson is requiring, not to mention the organization he wants to build up. In fact, Hoover depended upon voluntary cooperation to a great extent. Occasionally an example was made of a gouger.

Yet in Henderson's efforts to get a larger staff and more money, conservative editors, one after another, lectured Congress, told it this was no time for penny pinching. Apparently none of them is aware of the fact that Henderson has set up his own foreign commerce department, notwithstanding similar services in the State Department and the Department of Commerce, not to mention the ramifications of Nelson Rockefeller's good will enterprise.

The Department of Labor is another example of a virtually abandoned agency, a ghost agency, as we speak of ghost towns. Millions of dollars are appropriated for it every year. Yet Frances Perkins has very little authority over anything. There is a Children's Bureau and a Woman's Bureau in this vast citadel of masonry dedicated to labor. But really, what does a Children's Bureau and a Woman's Bureau do? Oh, they get up statistics on women and children. Miss Perkins is still nominally in charge of the administration of the Walsh-Healy and the Wages and Hours Acts. But in the very nature of things they are now being enforced by the Army, the Navy and the War Production Board, under the watchful eye of the labor leaders. The War Labor Board has taken over her labor conciliation functions, but not her conciliation staff, of course. Administration of the immigration service was a couple or so years ago given to the Justice Department.

Pray tell us, indeed, just what does the National Labor Relations Board do now, except provide good jobs for the faithful and by way of showing occasional activity, harass industry?

Railway Bureau Studies Wages, Labor Relations

The Bureau of Information of the Eastern Railways has compiled a most interesting study of trends in the field of labor with relation to the Railway Industry, entitled "Wages and Labor Relations in the Railroad Industry, 1940-1941."

The study takes up the history of labor relations in the railroad industry, brought down to date, and of the results to date for the employees, the industry itself, the owners of the railroad properties, and the public which uses railroad transportation service. A tabulation in the study shows that large and important groups of engine and train service employees in 1940 received average annual compensation ranging up to more than $4,000 a year, and that their average hours of work ranged down to less than thirty-three hours a week. A supplementary tabulation shows the further increases in annual compensation accruing to engine and train service employees as a result of the wage increases of 1941.

In view of the high levels to which wages have generally risen in the railroad industry, the study points out that a situation has been reached in which requests for further increases amount in effect to demands for an increased share in the profits to the industry, so that, "the question of whether there are such profits and, if not, why not, thus becomes of direct relevance."

The report suggests the inference from the facts presented, that increasing wage demands, coupled with rapidly rising taxation — including payroll taxes to provide annuities for retired employees and unemployment benefits—have left little to the railroad industry that may be described as profits. In line with this thought, an analysis of what has occurred as a result of the steadily mounting share of railroad revenues absorbed by wages, points to the conclusion that the great upward swings in wage levels since before the First World War have been achieved principally at the cost of wiping out all but a small fraction of the return to stockholders, accompanied, more recently, by heavy inroads upon the interest payable to bondholders as well.

The study, as a whole, constitutes a history of the various developments in railroad labor relations over the period covered.

Copper Statistics Not To Be Published

To conform with the requirements of the Office of Censorship the circulation of copper statistics will in the future be restricted to members of the industry only, and will no longer be available for distribution to the public or for publication, the Copper Institute announced on July 13.

To Cut Gifts To Britain To Save Cargo Space

Announcement was made simultaneously in Washington and London on July 15 that due to demands on shipping it will be necessary to sharply curtail the volume of gifts from America to Great Britain for the relief of suffering in order that goods of "a more warlike character" may be assigned the shipping space.

The British Government, in a statement made public by the State Department at Washington, explained this action as follows:

"In order to make the most effective and economical use of the space available, it has been decided that in future cargo space will be allocated only to direct consignments approved by the American Gifts Committee in London and sent either through the American Red Cross to the British Red Cross and Women's Voluntary Services, or through the British War Relief Society to the Personal Service League. No supplies consigned to, or earmarked for, bodies or individuals other than the three British organizations named will therefore be accepted for shipment from now on."

Prime Minister Churchill had informed President Roosevelt in a letter, dated June 14, that the step was necessary and was being taken with "very great regret." He also expressed the "profound gratitude" of the British people for the generosity of the gifts which have been flowing from the first days of the war.

The President, in replying on July 9, said he was gratified that the relief has given comfort to the British people and declared that the American people's action in providing the gifts "is indicative of the profound admiration felt in this country for the heroic stand of the British people against a barbarous foe."

The British statement emphasized that this policy "does not relate to monetary gifts since in their case shipping space is not involved."

US-Bolivia Rubber Pact

Bolivia's entire rubber production will be sold to the United States under terms of a contract signed in La Paz, Bolivia, on July 15 by Foreign Minister Eduardo Anze Matienzo and United States Ambassador Pierre de Boal.

According to the Associated Press:

"Output in 1942 is expected to reach 2,000 tons and next year, with United States aid guaranteed in the contract, it was estimated as a potential 2,500 to 3,000 tons.

"The United States would give the Bolivian Government $2,125,000 immediately in order to improve sanitary conditions in the rubber regions, construct highways, and to raise workers' pay to the scale of wages in Brazil.

"In addition, the North American Government promises machinery to producers.

"The price to be paid for the rubber was fixed on a sliding scale ranging up to 45c a pound for the best grades."

Hardesty Heads Dept.

Paul L. Hardesty has been appointed Manager of the Insurance Department of the U. S. Chamber of Commerce, it was announced on July 16. Mr. Hardesty, formerly Assistant Manager, brings a broad and intensive business experience to the administration of the Chamber's Insurance Department, it is pointed out.

The Insurance Department is one of the nine major departments of the National Chamber. It is the only national instrumentality of its kind serving the insurance industry in its entirety, as well as following the interests of buyers of insurance, in which category come most of the Chamber's underlying membership of more than a million business men.

Increased Individual Income Tax Under House Tax Bill

The following table showing the amount of increase in the tax on individuals under the Revenue Bill passed by the House on July 20 was contained in special Washington advices to the New York "Times":

AMOUNT OF INCREASE

Net Income Before Exemption	Single Person No Dependent	Single Person One Dependent	Married Person No Dependent	Married Person Two Dependents
$500	------	------	------	------
600	$15.40	------	------	------
700	33.80	------	------	------
750	43.00	------	------	------
800	49.20	------	------	------
900	59.20	------	------	------
1,000	68.00	$13.00	------	------
1,100	76.80	31.40	------	------
1,200	85.60	45.80	------	------
1,300	94.40	58.40	$13.00	------
1,400	103.20	67.20	29.60	------
1,500	112.00	76.00	48.00	------
1,600	120.80	84.80	60.40	------
1,700	129.60	93.60	71.60	------
1,800	138.40	102.40	80.40	------
1,900	147.20	111.20	89.20	------
2,000	156.00	120.00	98.00	------
2,100	164.80	128.80	106.80	$13.00
2,200	173.60	137.60	115.60	26.00
2,300	182.40	146.40	124.40	43.20
2,400	191.20	155.20	133.20	55.60
2,500	200.00	164.00	142.00	68.00
3,000	251.50	211.00	186.00	114.00
4,000	339.50	303.50	283.00	202.00
5,000	437.50	395.50	371.00	299.00
6,000	525.50	489.50	471.00	387.00
7,000	623.50	581.50	559.00	487.00
8,000	711.50	675.50	659.00	575.00
9,000	809.50	767.50	747.00	675.00
10,000	897.50	861.50	847.00	763.00
15,000	1,327.00	1,327.50	1,313.00	1,241.00
20,000	1,887.00	1,847.00	1,838.00	1,749.00
25,000	2,402.00	2,362.00	2,356.00	2,276.00
30,000	2,909.50	2,869.50	2,865.00	2,785.00
50,000	4,929.50	4,889.50	4,889.00	4,809.00
60,000	6,029.50	5,985.50	5,983.00	5,895.00
80,000	8,529.50	8,477.50	8,471.00	8,367.00
100,000	11,427.00	11,367.00	11,356.00	11,236.00
150,000	19,424.50	19,360.50	19,347.00	19,219.00
250,000	36,424.50	36,356.50	36,341.00	36,205.00
500,000	68,962.00	68,914.00	68,916.00	68,820.00
750,000	96,469.50	96,425.50	96,431.00	96,343.00
1,000,000	121,477.00	121,437.00	121,446.00	121,366.00
2,000,000	211,484.50	211,448.50	211,461.00	211.389.00
5,000,000	451,492.00	451,460.00	451,476.00	451,412.00

NEW SURTAX RATES

From the "Times" we also take the following table giving the new surtax rates and also the cumulative amounts to be paid by taxpayers under the bill:

Surtax Net Income Classes	Surtax Rate Present Law Pct.	Surtax Rate Proposed Law Pct.	Cumulative Surtax on Higher Amount Shown Present Law	Cumulative Surtax on Higher Amount Shown Proposed Law
$0 to $2,000	6	13	$120	$260
$2,000 to $4,000	9	16	300	580
$4,000 to $6,000	13	20	560	980
$6,000 to $8,000	17	24	900	1,460
$8,000 to $10,000	21	28	1,320	2,020
$10,000 to $12,000	25	32	1,820	2,660
$12,000 to $14,000	29	36	2,400	3,380
$14,000 to $16,000	32	40	3,040	4,180
$16,000 to $18,000	35	43	3,740	5,040
$18,000 to $20,000	38	46	4,500	5,960
$20,000 to $22,000	41	49	5,320	6,940
$22,000 to $26,000	44	52	7,080	9,020
$26,000 to $32,000	47	55	9,900	12,320
$32,000 to $38,000	50	58	12,900	15,800
$38,000 to $44,000	53	61	16,080	19,460
$44,000 to $50,000	55	63	19,380	23,240
$50,000 to $60,000	57	66	25,080	29,840
$60,000 to $70,000	59	69	30,980	36,740
$70,000 to $80,000	61	72	37,080	42,940
$80,000 to $90,000	63	75	43,380	51,440
$90,000 to $100,000	64	77	49,780	59,140
$100,000 to $150,000	65	79	82,280	98,640
$150,000 to $200,000	66	81	115,280	139,140
$200,000 to $250,000	67	82	148,780	180,140
$250,000 to $300,000	69	82	183,280	221,140
$300,000 to $400,000	71	82	254,280	303,140
$400,000 to $500,000	72	82	326,280	385,140
$500,000 to $750,000	73	82	508,780	590,140
$750,000 to $1,000,000	74	82	693,780	795,140
$1,000,000 to $2,000,000	75	82	1,443,780	1,615,140
$2,000,000 to $5,000,000	76	82	3,723,780	4,075,140
Over $5,000,000	77	82	------	------

Electric Output For Week Ended July 18, 1942 Shows 11.4% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended July 18, 1942, was 3,565,367,000 kwh., which compares with 3,199,105,000 kwh., in the corresponding period in 1941, a gain of 11.4%. The output for the week ended July 11, 1942, was estimated to be 3,428,916,000 kwh., an increase of 7.9% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended July 18, '42	Week Ended July 11, '42	Week Ended July 4, '42	Week Ended June 27, '42
New England	4.3	3.3	17.3	3.2
Middle Atlantic	6.6	3.6	12.7	4.8
Central Industrial	9.0	4.1	15.1	4.3
West Central	9.7	2.9	13.3	4.3
Southern States	18.5	14.6	25.5	19.9
Rocky Mountain	6.1	4.8	10.4	4.8
Pacific Coast	19.4	18.5	25.7	20.7
Total United States	11.4	7.9	17.9	9.5

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
May 2	3.304,602	2,944,906	+12.2	2.503.899	1,429,032	1,688,434
May 9	3,365,208	3,003,921	+12.0	2,515,515	1,436,928	1,698,492
May 16	3,356,921	3,011,345	+11.5	2,550,071	1,435,731	1,704,426
May 23	3,379,985	3,040,029	+11.2	2,588,821	1,425,151	1,705,460
May 30	3,322,651	2,954,647	+12.5	2,477,689	1,381,452	1,615,085
Jun 6	3,372,374	3,076,323	+ 9.6	2,598,812	1,435,471	1,689,925
Jun 13	3,463,528	3,101,291	+11.7	2,664,853	1,441,532	1,699,227
Jun 20	3,433,711	3,091,672	+11.1	2,653,788	1,440,541	1,702,501
Jun 27	3,457,024	3,156,825	+ 9.5	2,659,825	1,456,961	1,723,428
July 4	3,424,188	2,903,727	+17.9	2,425,229	1,341,730	1,592,075
July 11	3,428,918	3,178,054	+ 7.9	2,651,626	1,415,704	1,711,625
July 18	3,565,367	3,199,105	+11.4	2,681,071	1,433,993	1,727,225
July 25	------	3,220,526	----	2,760,935	1,440,386	1,723,031
Aug 1	------	3,263,082	----	2,762,240	1,426,986	1,724,728

Subscription And Allotment Figures On Treasury 2% Bond Offering

Final subscription and allotment figures with respect to the recent offering of $2,000,000,000 of 2% Treasury Bonds of 1949-51 were announced on July 15 by Secretary of the Treasury Morgenthau, indicating that total subscriptions received were $3,849,495,500 and allotments $2,097,279,400.

Subscriptions in amounts up to and including $25,000—totaling about $196,000,000—were allotted in full. Subscriptions in amounts over $25,000 were allotted 52% on the straight percentage basis, but not less than $25,000 on any one subscription, with adjustments where necessary to the $100 denomination. The offering was discussed in these columns of July 9, page 104.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District—	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$218,046,000	$117,699,300
New York	1,587,258,700	834,234,500
Philadelphia	198,854,900	108,454,800
Cleveland	231,751,200	128,015,400
Richmond	199,092,100	109,087,300
Atlanta	227,408,000	135,643,400
Chicago	511,216,200	280,593,000
St. Louis	102,418,500	62,378,200
Minneapolis	64,403,300	39,320,700
Kansas City	97,357,200	58,817,500
Dallas	115,066,800	65,587,800
San Francisco	287,277,600	152,566,500
Treasury	9,345,000	4,881,000
Total	$3,849,495,500	$2,097,279,400

Steel Production Slightly Lower—Heavy War Needs Being Met—Expansion Continues

"This week the necessity for extensive bottom and roof repairs and the cutting off of entire furnaces for complete re-builds has cut the country's operating rate fractionally to 98.7% of capacity," according to "The Iron Age" in its issue of today (July 23). "Even at this rate the average output continues to expand upward at a 1,600-ton weekly pace," states this publication, which further adds in part:

"The drawing on continuous mills and the impact of new plate mills are now giving increasing relief to the plate deficiency, the result being an incipient tightness in other types of steel, which in turn is resulting in a scramble for double A priorities for those types. What with probably a permanent war-time shift away from sheets and strip, a number of mills now have idle rolling capacity, and at least one producer has been prompted to negotiate with an aluminum company to lease part of such equipment.

"Construction of the largest single steel expansion scheme—the U. S. Steel Corp. blast furnaces, open hearths and plate mill in Utah—is now proceeding with exemplary speed, and the Kaiser plate mill at Los Angeles should come in not too far behind schedule shortly after the turn of the year. It now seems certain that the Hauck 10,000,000-ton expansion scheme will be virtually completed by June of next year, and particularly helpful is the fact that almost 6,000,000 tons of new pig iron capacity will have come in by the end of 1942. Also contributing to an accelerated flow of pig iron are the 18 air conditioning units now on blast furnaces, lifting their output possibly 10%. Furthermore, ore sintering equipment is being viewed increasingly favorably, and additional installations will soon be under way to contribute perhaps an additional 10% in output for the stacks so served.

"Encouraging as these factors are, the ferrous industry is increasingly cursed by two gnawing aches, scrap and alloys.

"With the critical position of certain alloying elements becoming so obvious, the industry is on the threshold of a series of metallurgical innovations that will tax the ingenuity of all concerned. A group of National Emergency steels, of low alloy content is now replacing conventional and more highly alloyed steels.

"An expanding air freight program, of course, is well under way, and every indication points toward limitation of planned bomber production in favor of transport production.

"In shipbuilding it is being found that as plate inventories are built up in the yards production speed approximates a ship per month per way."

The CIO last week won a 44-cent daily wage increase, maintenance of union membership, and checkoff.

The American Iron and Steel Institute on July 20 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.7% of capacity for the week beginning July 20, compared with 99.1% one week ago, 98.0% one month ago and 96.0% one year ago. This represents a decrease of 0.4 points or 0.4% from the preceding week. The operating rate for the week beginning July 20 is equivalent to 1,676,500 tons of steel ingots and castings, compared to 1,683,300 tons one week ago, 1,664,600 tons one month ago, and 1,586,100 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 20 stated in part: "All efforts of the steel industry are centered on supplying requirements for war production, which are on the increase.

"Output is holding as near capacity as conditions will permit and deliveries are being strictly supervised by the War Production Board. Changes in ratings are frequent in the effort to meet insistent needs first resulting in frequent changes in rolling schedules. Close control of inventories has prevented accumulations by some consumers while others had insufficient supply. In general, not more than 45 days stock is being allowed and in most cases much less. Increased demand is pushing ratings progressively higher and allocations cover the greater portion of orders.

"Pig iron distribution is well stabilized and varies from month to month only as war contracts are more widely distributed. Large reserves existing early in the year have been liquidated and distribution is closely geared to consumption.

"The War Production Board reports a new peak in production of structural shapes in June, shipments being 481,182 tons, the previous high during the war era being 451,000 tons in November. A large part of this total was for shipbuilding.

"Better plate distribution is being achieved and top-heavy shipyard inventories have been reduced, the effort now being to maintain a level of 45 to 60 days supply. Some mills are falling behind schedule, part of June tonnage being delivered in first half of July. Shipbuilding demand is causing plates to be shipped from remote producing centers, some being supplied to New England shipyards from mills at Birmingham, Ala.

Steel bar deliveries continue to lengthen and producers are loaded heavily with directives in the effort to keep up supply for most essential needs. This requires frequent revision of ratings.

"Sheet demand is light, many industries normally consuming them being restricted in manufacture of their usual products. As a result sheet mills are operating at much less than capacity and competition exists for sheet contracts. Mills desire tonnage with high ratings in order to obtain semi-finished allocations to keep their equipment busy. Deliveries of six to eight weeks are obtainable."

June Construction At Peak

All previous construction records were broken in June, according to a statement released on July 17 by F. W. Dodge Corporation. Building and engineering contracts awarded last month in the 37 eastern states amounted to $1,190,264,000. This was nearly 57% more than the dollar volume of August, 1941, $760,233,000, the previous all-time high. Comparisons of these two record months indicate roughly the impact of the war on the construction program: industrial building contracts last month were double the dollar volume of last August; heavy engineering construction nearly doubled; non-residential building, other than commercial and industrial work, increased three-fold. On the other hand, commercial building contracts last month were a third less in dollar volume than in August of last year, and residential building was down 20%. Last month's total was a little more than double that of June 1941.

The June 1942 contract volume brought the total for the first half of the year up to $3,723,725,000, again a record-breaking figure, no previous year having produced so large a contract total in the first six months. The increase over the first half of 1941 was 46%.

More detailed comparisons of the first half of 1942 with the first half of 1941 are as follows: industrial buildings, up 83%; commercial buildings, down 13%; all other non-residential buildings (including many for a wide variety of military purposes), up 102%; residential building (including principally barracks and housing for war workers in industry), up 4%; heavy engineering construction (public works and utilities), up 73%.

Australian Finances In 1941-1942 Fiscal Year

The Australian Commonwealth Revenue Fund for the fiscal year ended June 30, 1942, shows total collections of £210,000,000, according to a statement issued by J. B. Chifley, the Commonwealth Treasurer. This amount is £14,000,000 in excess of the anticipated collections for the year, chiefly due to the fact that customs and excise receipts were £7,000,000 and income and war company tax collections were £2,400,000 above the estimated collections for the year. It is pointed out that as in the previous fiscal year, the revenue account exactly balances, as all revenue available after meeting charges for ordinary services has been applied for war purposes. Non-war expenditure was £102,000,000 (£2,000,000 less than anticipated) and war expenditure £108,000,000.

Gross war expenditures for the year amounted to £353,000,000, of which £34,000,000 was recovered from other administrations in respect of munitions, supplies and services on their account.

Selected Income And Balance Sheet Items Class I Railways For April

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for Class I steam railways in the United States for the month of April and the four months ending with April, 1942 and 1941.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for Class A switching and terminal companies. The report is as follows:

	All Class I Railways			
	For the Month of April		For the Four Months of	
Income Items—	1942	1941	1942	1941
Net ry. operat. income	$102,034,442	$52,074,736	$324,749,827	$252,401,447
Other income	11,602,227	10,666,070	46,587,385	44,797,828
Total income	113,636,669	62,740,806	371,337,212	297,199,275
Miscellaneous deductions from income	2,658,936	2,219,693	10,121,039	9,518,131
Income available for fixed charges	110,977,733	60,521,113	361,216,173	287,681,144
Fixed charges:				
Rent for leased roads and equipment	13,722,032	13,045,373	54,605,782	50,489,004
*Interest deductions	37,030,693	38,508,986	148,143,296	153,818,375
Other deductions	113,850	118,075	469,927	474,145
Total fixed charges	50,866,575	51,672,434	203,219,005	204,781,524
Inc. after fixed charges	60,111,158	8,848,679	157,997,168	82,899,620
Contingent charges	2,221,456	1,550,256	8,577,236	6,155,789
†Net income	57,889,702	7,298,423	149,419,932	76,743,831
Depreciation (way and structures equipment)	20,744,317	17,898,712	77,029,654	71,127,469
Amortization of defense projects	6,278,596	-----	19,648,825	-----
Federal income taxes	52,612,470	7,104,766	139,007,807	33,236,438
Dividend appropriations:				
On common stock	270,000	2,306,668	19,522,803	26,281,636
On preferred stock	778,185	764,781	5,933,278	5,209,076
¶Ratio of income to fixed charges	2.18	1.17	1.78	1.40

	All Class I Railways Balance at End of April		Class I Railways Not in Receivership or Trusteeship Balance at End of April	
Selected Asset Items—	1942	1941	1942	1941
Investments in stocks, bonds, etc., other than those of affiliated companies	$464,745,682	$560,946,071	$447,826,976	$510,599,615
Cash	$799,887,773	$673,819,405	$581,450,996	$524,978,159
Temporary cash investments	135,598,227	71,455,665	126,500,164	64,245,581
Special deposits	155,461,239	123,326,657	109,362,414	98,994,578
Loans and bills receivable	1,149,446	1,771,422	991,919	1,498,867
Traffic and car-service balances (Dr.)	37,979,741	26,910,949	32,400,569	23,914,644
Net balance receivable from agents and conductors	96,467,258	54,827,539	80,881,227	44,265,524
Miscellaneous accounts receivable	267,246,387	145,447,934	212,780,347	113,662,812
Materials and supplies	528,839,754	368,807,309	428,099,990	292,112,037
Interest and dividends receivable	20,122,448	17,875,491	18,327,596	15,270,692
Rents receivable	1,121,418	1,215,552	869,826	926,851
Other current assets	26,527,860	6,931,675	24,986,307	5,723,557
Total current assets	2,070,401,551	1,492,389,598	1,616,651,355	1,185,593,302
Selected Liability Items—				
‡Funded debt maturing within six months	$95,188,929	$95,583,395	$79,379,649	$72,140,259
§Loans and bills payable	$33,079,832	$77,455,048	$3,491,236	$21,503,496
Traffic and car-service balances (Cr.)	74,461,468	45,804,220	55,387,826	32,498,871
Audited accounts and wages payable	310,319,848	236,739,373	250,751,423	191,720,566
Miscellaneous accounts payable	57,862,134	49,053,123	40,452,592	37,145,132
Interest matured unpaid	49,440,755	35,424,149	44,257,391	30,824,400
Dividends matured unpaid	2,167,777	1,709,819	1,815,515	1,357,510
Unmatured interest accrued	78,709,046	80,043,614	66,309,236	65,522,192
Unmatured dividends declared	5,445,248	1,297,510	5,445,248	1,297,510
Unmatured rents accrued	26,231,700	26,580,718	24,027,839	24,522,345
Accrued tax liability	466,845,600	248,913,350	422,637,979	211,027,028
Other current liabilities	56,030,647	36,437,663	43,274,454	26,364,251
Total current liabilities	1,160,594,055	839,458,587	957,850,739	643,783,301
Analysis of accrued tax liability:				
U. S. Government taxes	353,436,628	139,785,580	334,048,601	127,860,453
Other than U. S. Government taxes	113,408,972	109,127,770	88,589,378	83,166,575

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: April, 1942, $47,746,213; April, 1941, $9,522,879; for the three months ended April, 1942, $126,996,767; three months ended April, 1941, $84,755,016. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. §Includes obligations which mature not more than two years after date of issue. ¶For railways in receivership and trusteeship the ratio was as follows: April, 1942, 1.87; April, 1941, 0.88; four months, 1942, 1.51; four months, 1941, 0.90.

Construction Volume Drops In July 16 Week—Engineering Cons. $174,129,000 For Week

Engineering construction volume for the week totals $174,129,000 which is 57% below the high volume of $401,603,000 reported last week and 16% below the corresponding 1941 week, says the "Engineering News-Record" under date of July 16. Public construction shows a drop of 58% from last week and 12% below the 1941 week. Private construction is 6% lower than last week and 55% lower than the 1941 week.

Federal contracts dropped 59% below last week but a slight gain over the corresponding 1941 week. The Association's release went on to say:

With this week's total the volume for the 29 weeks reaches $5,698,849,000 compared with $3,421,095,000 for the same period last year, a gain of 66%.

Construction volumes for the 1941 week, last week, and the current week are:

	July 17, '41	July 9, '42	July 16, '42
Total Construction	$206,765,000	$401,603,000	$174,129,000
Private Construction	17,123,000	8,237,000	7,705,000
Public Construction	189,642,000	393,366,000	166,424,000
State and Municipal	34,302,000	8,271,000	10,073,000
Federal	155,340,000	385,095,000	156,351,000

Public buildings, which last week recorded the second highest total this year, show a drop of 67% while unclassified construction dropped 41%. Subtotals for the week in each class of construction are: waterworks, $2,267,000; sewerage, $2,072,000; bridges, $2,516,000; industrial buildings, $5,134,000; commercial buildings, $2,325,000; public buildings, $98,318,000; streets and roads, $16,536,000; earthwork and drainage, $3,281,000; and unclassified construction, $41,680,000.

New capital for construction purposes for the week totals $511,000 for State and municipal bonds. This brings the total for the year to date to $7,801,129,000, a gain of 59% compared with $4,922,670,000 for the same period of 1941.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings *				Corporate by Groups *		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
July 21	118.23	106.74	116.41	113.12	108.16	91.77	95.77	111.44	114.27
20	118.22	106.74	116.41	113.12	108.16	91.62	95.77	111.44	114.27
18	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
17	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
16	118.27	106.74	116.41	113.12	107.98	91.77	95.77	111.44	114.27
15	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
14	118.19	106.74	116.41	113.31	107.98	91.62	95.77	111.44	114.27
13	118.28	106.74	116.41	113.31	107.98	91.62	95.77	111.44	114.27
11	118.26	106.74	116.41	113.50	107.98	91.62	95.77	111.25	114.27
10	118.26	106.74	116.41	113.31	107.80	91.62	95.77	111.25	114.08
9	118.31	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.08
8	118.25	106.56	116.41	113.31	107.80	91.48	95.77	111.25	114.08
7	118.22	106.56	116.41	113.12	107.80	91.77	95.77	111.25	114.08
6	118.05	106.56	116.22	113.12	107.98	91.48	95.77	111.25	113.89
4			Exchange Closed						
3	118.09	106.56	116.22	113.12	107.98	91.34	95.77	111.25	113.89
2	118.12	106.56	116.41	113.12	107.98	91.19	95.62	111.07	114.08
1	118.18	106.39	116.41	112.93	107.80	91.19	95.62	111.07	113.89
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
19	118.33	106.39	116.22	112.93	107.62	91.19	95.47	110.88	113.89
12	118.33	106.21	116.02	112.75	107.44	91.19	95.62	110.88	113.50
5	118.38	106.21	115.82	112.93	107.27	91.34	95.77	110.70	113.31
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
22	118.33	106.56	116.02	112.93	107.44	91.91	96.07	110.70	113.50
15	117.89	106.74	116.02	113.31	107.62	92.06	96.54	110.88	113.70
8	117.79	106.74	116.22	113.12	107.62	92.20	96.69	110.70	113.70
1	117.90	106.56	116.22	113.12	107.44	92.06	96.69	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
17	118.08	106.92	116.41	113.70	107.62	92.20	96.85	110.88	113.89
10	118.06	106.92	116.41	113.89	107.62	92.35	97.16	110.70	114.08
2	118.10	106.92	116.22	113.70	107.62	92.20	97.00	110.52	114.08
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
High 1942	118.41	106.92	116.61	114.08	108.16	92.50	97.47	114.44	114.27
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
July 21, 1941	119.47	107.80	118.20	115.04	108.34	92.06	97.31	112.00	115.04
2 Years ago									
July 20, 1940	115.56	103.30	115.63	112.93	103.13	85.20	91.77	108.88	110.34

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
		Aaa	Aa	A	Baa	R. R.	P. U.	Indus
July 21	3.35	2.83	3.00	3.27	4.29	4.02	3.09	2.94
20	3.35	2.83	3.00	3.27	4.30	4.02	3.09	2.94
18	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
17	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
16	3.35	2.83	3.00	3.28	4.29	4.02	3.09	2.94
15	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
14	3.35	2.83	2.99	3.28	4.30	4.02	3.09	2.94
13	3.35	2.83	2.99	3.28	4.30	4.02	3.09	2.94
11	3.35	2.83	2.98	3.28	4.30	4.02	3.10	2.94
10	3.35	2.83	2.99	3.29	4.30	4.02	3.10	2.95
9	3.35	2.83	3.00	3.28	4.30	4.03	3.09	2.95
8	3.36	2.83	2.99	3.29	4.31	4.02	3.10	2.95
7	3.36	2.83	3.00	3.29	4.31	4.02	3.10	2.95
6	3.36	2.84	3.00	3.28	4.31	4.02	3.10	2.96
4			Exchange Closed					
3	3.36	2.84	3.00	3.28	4.32	4.02	3.10	2.96
2	3.36	2.83	3.00	3.28	4.33	4.03	3.11	2.95
1	3.37	2.83	3.01	3.29	4.33	4.03	3.11	2.96
June 26	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
19	3.37	2.84	3.01	3.30	4.33	4.04	3.12	2.96
12	3.38	2.85	3.02	3.31	4.33	4.03	3.12	2.98
5	3.38	2.86	3.01	3.32	4.32	4.02	3.13	2.99
May 29	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
22	3.36	2.85	3.01	3.31	4.28	4.00	3.13	2.98
15	3.35	2.85	2.99	3.30	4.27	3.97	3.12	2.97
8	3.35	2.84	3.00	3.30	4.26	3.96	3.13	2.97
1	3.36	2.84	3.00	3.31	4.27	3.96	3.13	2.97
Apr. 24	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
17	3.34	2.83	2.97	3.30	4.26	3.95	3.12	2.96
10	3.34	2.83	2.96	3.30	4.25	3.93	3.13	2.95
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	3.34	2.82	2.95	3.27	4.24	3.91	3.09	2.94
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago								
July 21, 1941	3.29	2.74	2.90	3.26	4.27	3.92	3.06	2.90
2 Years ago								
July 20, 1940	3.55	2.87	3.01	3.56	4.77	4.29	3.23	3.15

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Army To Draft 1-B Men

The War Department announced on July 3 that it will begin inducting into the Army on Aug. 1 men who have been in Class 1-B under the Selective Service system, due to minor physical defects. They will be subject to limited military service and assigned to duty with the corps area service commands and the War Department overhead organization, thus making it possible to release an almost equal number of fully qualified soldiers for duty with task forces. The Department said that regular quotas of 1-B men will be inducted each month and that inductions for the present will be limited to those "able to bring to the Army a useful vocation which was followed in civil life."

FDR Hails China Fight

President Roosevelt on July 6, the fifth anniversary of the Chinese-Japanese war, cabled Generalissimo Chang Kai-shek and people of China a message of greeting praising their valiant fight and expressing confidence that the United Nations "will fight on together to victory."

Secretary of State Hull sent a similar message of greeting, conveying "an expression of the whole-hearted good wishes of the American people who, as comrades-in-arms with the Chinese people, are now facing common aggressors and share a common peril." The President's message follows:

"In the name of the people of the United States, your fighting Allies in this war for freedom, I greet you on the anniversary of the most despicable attack on you in all your long and noble history.

"The people of the United States hail you as brothers-in-arms in the great and difficult tasks remaining before the free and freedom-loving peoples of all the earth.

"We are united as nations and peoples have never before been united. We are united to the end that the common aims of civilized men and women shall become actual and universal.

"Five years ago, at the Marco Polo Bridge, you started your fight against the forces of darkness which were hurled against your country and your civilization.

"You know, and all of the world knows, how well you have carried on that fight, which is the fight of all mankind.

"Increasingly, your arms and our arms will thrust back the enemy.

"You, the people of China, and we, the people of the United States and the United Nations, will fight on together to victory, to the establishment of peace and justice and freedom throughout the world."

The following cable message from the Chinese leader replying to the President was made public in Washington on July 9:

"The Chinese Army and people are deeply moved by the inspiring message which you were good enough to send us on this fifth anniversary of our war of resistance.

"Love of peace, justice and freedom is the traditional trait of our two peoples. We, in concert with twenty-six allied nations, have dedicated ourselves to the heroic fight in defense of civilization and humanity as you have truly said in your telegram.

"Our two armies and peoples are united in spirit as nations and peoples have never before been so united. At the same time no greater responsibilities have developed upon our two great democracies since the beginning of their history.

"Upon receipt of this message of greetings from one hundred and thirty million friends across the Pacific our army and people fully realize the prime necessity of annihilating the forces of evil in the Pacific so as to hasten the day of victory in this global war against aggression. Will you please accept my personal warm thanks and those of the entire Chinese Army and people?"

Moody's Daily Commodity Index

Tuesday, July 14	232.4
Wednesday, July 15	232.9
Thursday, July 16	231.9
Friday, July 17	231.6
Saturday, July 18	231.0
Monday, July 20	230.2
Tuesday, July 21	231.6
Two weeks ago, July 7	231.8
Month ago, June 20	229.6
Year ago, July 21	209.2
1941 High—Sept. 19	219.9
Low—Feb. 17	171.6
1942 High—April 9	234.0
Low—Jan. 2	220.0

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on July 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allied Mills, Inc., common	304,329	304,382	
Allied Stores Corp., 5% preferred	417	517	
American-Hawaiian Steamship Co., common	74,200	74,300	
American Hide and Leather Co., common	1,750	40,250	(1)
6% preferred	7,500	200	(1)
American Home Products Corp., capital	3,157	3,209	
American Viscose Corp., 5% cumulative preferred	1,746	946	(2)
Armour & Co., 7% preferred	2,480	3,776	
Associates Investment Co., common	22,331	22,686	
5% cumulative preferred	19,022	895	(3)
Atlantic Gulf and West Indies Steamship Lines, preferred	1,700	2,400	
Atlas Corp., common	39,738	49,244	
6% preferred	11,473	—	(4)
Barker Bros., 5½% cumulative preferred	1,898	1,953	
Barnsdall Oil Co., common	34,500	35,100	
Borden Co. (The), capital	40,454	40,654	
Bucyrus-Erie Co., 7% preferred	11,161	11,179	
Carriers & General Corp., common	300	—	(5)
Case (J. I.) Co., common	1,800	1,725	(6)
7% preferred	3,895	5,605	
Century Ribbon Mills, Inc., 7% preferred	190	200	
Chicago Pneumatic Tool Co., $2.50 cum. prior pfd.	6,271	6,571	
Chicago Yellow Cab Co., capital	12,154	29,464	
Consolidated Oil Corp., common	—	3,000	
Continental Baking Co., 8% preferred	400	277	(7)
Copperweld Steel Co., cum. conv. pfd. 5% series	3,435	3,735	
Cuban-American Sugar Co. (The), 5½% conv. pfd.	14,988	16,888	
7% cumulative preferred	8,233	10,213	
Detroit Edison Co. (The), common	7,623	6,858	
Distillers Corp.-Seagrams Ltd., cum. pfd. 5% series	—	—	(8)
Du Pont de Nemours & Co. (E. I.), common	35,651	13,815	(9)
Firestone Tire & Rubber Co. (The), common	318,879	319,109	
Gaylord Container Corp., 5½% cumul. conv. preferred	—	—	(10)
General American Investors Co., Inc., $6 cum. pfd.	—	—	(11)
General Realty & Utilities Corp., $6 preferred	100	2,131	
General Shoe Corp., common	3,258	2,961	
Gillette Safety Razor Co., $5 conv. pref.	5,449	7,249	
Howe Sound Co., common	27,400	29,191	
Insuranshares Certificates, Inc., common	—	—	(12)
Jones & Laughlin Steel Corp., common	66,583	—	(13)
5% preferred A	27,083	70	(13)
5% preferred B	27,333	270	(13)
Lehman Corp. (The), common	99,407	102,907	
McGraw-Hill Publishing Co., Inc., common	2,000	5,000	
Mead Corp. (The), $6 cumulative preferred "A"	495	515	
Mohawk Carpet Mills, Inc., capital	19,100	19,000	
National Cylinder Gas Co., common	2,505	3,705	
National Department Stores Corp., 6% preferred	79,453	79,883	
Norfolk & Western Railway Co., adj. 4% non-cum. pfd.	3,868	4,566	
Petroleum Corp. of America, capital	—	2,400	
Plymouth Oil Co., common	11,900	12,900	
Real Silk Hosiery Mills, Inc., 7% cumulative preferred	5,568	5,601	
Reliable Stores Corp., common	44,659	45,259	
Safeway Stores, Inc., 5% cumulative preferred	4,363	1,115	(14)
Schenley Distillers Corp., 5½% cumulative preferred	4,001	4,801	
Shattuck (Frank G.) Co., common	141,200	142,200	
Sheaffer (W. A.) Pen Co., common	4,505	4,518	
Sterling Products, Inc., capital	15,032	32	
Superheater Co., The, common	97,750	97,850	
Swift & Co., capital	77,959	77,953	
Transamerica Corp., capital	1,088,649	1,093,700	
Union Bag & Paper Corp., common	—	2,000	
United Aircraft Corp., 5% cum. pfd.	2,500	—	(15)
United Fruit Co., common	5,700	5,900	
Universal Pictures Co., Inc., 8% preferred	6,074	4,594	(16)
White (The S. S.) Dental Mfg. Co., capital	1,388	1,393	
Willys-Overland Motors, Inc., 6% cum. conv. pfd.	7,700	13,200	

NOTES

(1) 400 shares of preferred stock acquired. 7,700 shares of preferred stock have been converted into common stock which is held in the treasury.
(2) 600 shares acquired; 1,400 shares retired.
(3) 1,355 shares acquired; 19,482 shares retired.
(4) 8,402 shares acquired; 19,875 shares retired.
(5) Retired.
(6) Options exercised as to 75 shares held in treasury.
(7) 1,777 shares acquired; 1,900 shares cancelled.
(8) 200 shares acquired and retired.
(9) Transactions since Dec. 31, 1941.
(10) 325 shares acquired and retired.
(11) 1,985 shares acquired and retired.
(12) 2,300 shares acquired and retired.
(13) 3,925 shares series "A" preferred and 3,675 shares series "B" preferred acquired. All but remaining balances of common and preferred stocks transferred as part consideration for assets of Otis Steel Co.
(14) 1,203 shares acquired; 4,452 shares retired.
(15) 700 shares acquired; 3,200 shares retired.
(16) 20 shares acquired; 1,500 shares retired.

The New York Curb Exchange issued on July 15, the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
American General Corp., $2 div. ser. pfd.	9,456	9,831
Common	356,664	356,966
American Writing Paper Corp, common	12,800	13,900
Art Metal Works, Inc., common	6,344	6,444
Carman & Co., Inc. class A	1,879	1,929
Cooper-Bessemer Corp., $3.00 prior pref.	1,103	1,313
Crown Central Petroleum Corp., common	575	576
Dejay Stores, Inc., common	9,386	9,636
Ken-Rad Tube & Lamp Corp., A common	6,550	7,150
Klein (D. Emil) Co., Inc., common	15,289	16,414
Merchants & Manufacturers Securities Co., partic. pfd.	15,222	21,156
Class A common	76,220	103,705
Merritt-Chapman & Scott Corp, 6½% A preferred	3,639	6,077
New York Merchandise Co., Inc., common	90,359	90,395
Niagara Share Corp. of Maryland, A preferred	4,446	4,666
B common	139,381	139,781
Sterchi Bros. Stores, Inc., 5% 2nd preferred	100	170
Trans-Lux Corp., common	68,857	71,457
United Cigar-Whelan Stores Corp., common	12,129	12,130
Utility Equities Corp., $5.50 div. prior stock	8,900	9,100
Wilson-Jones Co., common	7,500	7,800

June Department Store Sales In New York Federal Reserve District 3% Below Year Ago

The Federal Reserve Bank of New York announced on July 18 that June sales of department stores in the Second (New York) Federal Reserve District decreased 3% below a year ago. The combined sales for January through June, however, are 11% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of June were 80% above June, 1941.

The apparel stores in the New York Reserve District reported a loss of 1% in net sales in June, while their stocks on hand were 58% above a year ago.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES—JUNE, 1942
Second Federal Reserve District

	Percentage Changes from a Year Ago		
	Net Sales		
Department Stores—	June	January through June	Stock on Hand End of Month
New York City	—4	+10	+85
*Northern New Jersey	—7	+9	+87
*Newark	—5	+10	+87
Westchester and Fairfield Counties	+3	+18	+49
Bridgeport	+5	+20	+63
Lower Hudson River Valley	—1	+7	+34
Poughkeepsie	+3	+10	
Upper Hudson River Valley	—12	+4	+42
Albany	—19	—2	—
Central New York State	+2	+15	+84
Mohawk River Valley	+14	+28	+103
Syracuse	—2	+11	+78
Northern New York State	—7	—4	—
*Southern New York State	+2	+14	+53
*Binghamton	—1	+11	—
Elmira	+10	+19	—
Western New York State	+2	+16	+64
Buffalo	+4	+19	+62
Niagara Falls	+24	+37	+36
Rochester	—2	+12	+74
*All department stores	—3	+11	+80
‡Apparel stores	—1	+13	+58

*Subject to possible revision.
‡Some additional apparel stores added with this report.
26 shopping days, 1942.
25 shopping days, 1941.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1941	1942		
	June	April	May	June
Sales (average daily), unadjusted	†97	106	99	92
Sales (average daily), seasonally adjusted	†101	110	103	96
Stocks, unadjusted	85	152	160	158
Stocks, seasonally adjusted	90	149	156	167

†Revised.

Senate Confirms Meaney

The nomination of Thomas F. Meany to the Federal District Court of New Jersey was confirmed by the Senate on July 1 by a vote of 39 to 20. President Roosevelt's naming of Mr. Meaney on May 4 brought considerable debate in the Senate, the opponents declaring that the issue was Frank Hague, Mayor of Jersey City, who favored the appointment. Among the critics of the appointment were Governor Charles Edison of New Jersey and Senator Barbour, Republican of New Jersey. Senator Smathers, Democrat of New Jersey, led the fight for confirmation.

Buy China Commemorative

President Roosevelt and T. V. Soong, China's Foreign Minister, purchased on July 8 the first of the new United States 5-cent stamps commemorating the fifth anniversary of Chinese resistance to Japanese aggression. Postmaster-General Walker sold the stamps to them at a brief White House ceremony.

The stamp contains pictures of President Lincoln and Sun Yat-Sen, first President of the Republic of China, and is the first in history on which a foreign language appears. The stamp also contains a map of China and a sun, the official symbol of the Chinese revolution.

Non-Ferrous Metals—Antimony Restrictions Eased Moderately—Copper Statistics Censored

Editor's Note.—Upon request of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of July 16, stated: "Producers of non-ferrous metals were encouraged last week in the action taken by the War Production Board in modifying the order regulating the distribution of antimony. With supplies of antimony larger, the order has been amended to encourage substitution of antimony for tin. Lead producers met with officials in Washington on July 14. After the meeting there was some hope in the trade that the conservation order for lead may be eased before long. Censorship stopped publication of monthly copper statistics last week. Daily sales reports also are out for the duration." The publication further went on to say in part:

Copper

A moderate tonnage of copper allocated for July has not yet been taken care of, but producers feel certain that Metals Reserve will release more metal if needed. Beginning July 10, the industry's daily report on sales in the domestic market will not be available to the press. With producers fully occupied turning out copper, and most fabricators operating at capacity, the statistics in a price-controlled war market carry little weight.

Domestic consumers are obtaining metal on the basis of 12c., Valley. Foreign copper is moving into the country on the basis of 11.75c., f.a.s. United States ports.

Domestic copper statistics for June will not be issued, owing to censorship regulations. On July 13, Copper Institute released the following statement:

"To conform with the requirements of the Office of Censorship the circulation of copper statistics will in the future be restricted to members of the industry only, and will no longer be available for distribution to the public or for publication."

Lead

At the meeting of the lead group that took place in Washington on July 14 the question was raised of easing the conservation order. Supplies on hand and in sight are large, it was pointed out, and use of lead in many directions could easily be expanded under prevailing conditions.

Quotations continued on the basis of 6.50c., New York, and at 6.35c., St. Louis. Chemical lead sold in the St. Louis market at 6.40c.

Zinc

The weekly sales report of the Prime Western division is no longer available for publication. The market situation was without change last week, Prime Western continuing at 8.25c., St. Louis.

The monthly weighted average sales report issued by the American Zinc Institute will henceforth be distributed to members of the zinc industry only, owing to censorship, it was announced last week.

Tin

In connection with the scrap metals campaign now in progress, the War Production Board released information to the effect that the minimum tin requirements of this country in 1942 are 65,000 tons. To supply this tonnage, about 41,000 tons will be released out of stockpile, 15,000 tons will be obtained from Bolivian concentrate, and 9,000 tons from the Belgian Congo.

Straits quality tin for future delivery was nominally as follows:

	July	August	Sept.
July 9	52,000	52.000	52.000
July 10	52.000	52.000	52.000
July 11	52.000	52.000	52.000
July 13	52.000	52.000	52.000
July 14	52.000	52.000	52.000
July 15	52.000	52.000	52.000

Chinese tin, 99% spot, 51.125c., all week.

Quicksilver

Direct and indirect war business is absorbing a fairly large proportion of this country's current output of quicksilver. Surplus metal is finding a ready buyer in the Metals Reserve Co. on the basis of $192 per flask, New York. Open-market quotations in New York continued at $194.43 @ $198.08.

Antimony

Supplies of antimony have become relatively more plentiful and General Preference Order M-112 has been amended easing restrictions on use of the metal in bearings metals and other alloys. Antimony compounds may be used to a greater extent in ceramics. To encourage output, domestic producers may deliver free of restrictions up to 50 tons of ore or concentrate a month.

Silver

The supply situation in silver was reviewed by producers and officials in Washington on July 14. WPB has not yet acted on the plan to regulate consumption of the metal.

During the past week the Silver Market in London has been steady with the price unchanged at 23½d. The New York Official and the U. S. Treasury prices are also unchanged at 35⅛c. and 35c., respectively.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

	Electrolytic Copper		Straits Tin,	Lead		Zinc
July	Domest., Refin.	Exp., Refin.	New York	New York	St. Louis	St. Louis
9	11.775	11.700	52.000	6.50	6.35	8.25
10	11.775	11.700	52.000	6.50	6.35	8.25
11	11.775	11.700	52.000	6.50	6.35	8.25
13	11.775	11.700	52.000	6.50	6.35	8.25
14	11.775	11.700	52.000	6.50	6.35	8.25
15	11.775	11.700	52.000	6.50	6.35	8.25
Average	11.775	11.700	52.000	6.50	6.35	8.25

Average prices for calendar week ended July 11 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery, 11.700c.; Straits tin, 52.000c.; New York lead. 6.500c.; St. Louis lead, 6.350c.; St. Louis zinc, 8.250c.; and silver, 35.125c.

The above quotations are "M. & M. M.'s" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to World War II, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of .05c is deducted from f.a.s. basis (lighterage, etc. to arrive at the f.o.b. refinery quotation.

SEC Utility Report

The Securities and Exchange Commission has made public a report prepared by the Public Utilities Division entitled "Depreciation and Dividend Statistics of Electric and Gas Utility Subsidiaries of Registered Holding Companies, 1930-1940."

The report shows how the income of each of 168 companies would have been affected for the ten-year period 1930-1939 if the same amount of depreciation as was allowed for income tax purposes had been charged on its books. The analysis indicates that, in the case of 149 of the companies studied, depreciation deducted for income tax purposes exceeded book depreciation by $627,052,000 for the ten-year period. In the case of the remaining 19 companies book depreciation was the same as, or exceeded, income tax depreciation by an aggregate amount of $8,108,000. The net excess of income tax depreciation over book depreciation for the 168 companies was $618,944,000, which was 53.64% of the aggregate amount of $1,153,960,000 which these companies charged as depreciation or retirement expense on their books. The study shows, however, that the majority of the companies have substantially narrowed the difference between the two sets of depreciation figures since 1937.

In addition to the ten-year study, the report includes a tabulation showing the common stock dividends paid by 218 operating utility companies for the year 1940 in relation to net income available for such dividends after adjustment for the excess of income tax depreciation over book depreciation. The report also summarizes the depreciation rules and regulations of the Bureau of Internal Revenue and shows for each company included in the ten-year study the amount of depreciable fixed capital recognized by the Bureau for determining depreciation for income tax purposes.

A very limited supply of copies of the study are available and may be obtained from the Publications Unit of the Commission in Philadelphia.

Geo. Sutherland Dies

George Sutherland, retired Justice of the United States Supreme Court, died on July 18 at his summer home in Stockbridge, Mass. He was 80 years old. Justice Sutherland retired from the Supreme Court in January, 1938, after more than 15 years in the Court's service. He was generally regarded as a member of the conservative group on the Court, having voted almost consistently against New Deal legislation that came before the Supreme Court. Justice Sutherland's decision to retire in 1938, giving as his reasons his age and length of service came about a year after President Roosevelt's unsuccessful attempt to enlarge the Court. In his letter of resignation, he said he wished to avail himself of the Sumners Act of 1937 which permits Supreme Court Justices to retire at the age of 70. Justice Sutherland was 75 at the time of his retirement.

A native of Buckinghamshire, England, Justice Sutherland was brought to this country when he was 15 months old and his family settled in Utah. After studying law at the University of Michigan, he practiced law in Salt Lake City. He was a member of the House of Representatives from Utah about the turn of the century and later served two terms in the U. S. Senate. Justice Sutherland was appointed to the Supreme Court in 1922 by President Harding.

His retirement in 1938 was noted in these columns Jan. 8, 1938, page 199.

National Fertilizer Association Commodity Price Average Unchanged

The weekly wholesale commodity price index compiled by The National Fertilizer Association and released on July 20, was unchanged last week. This index, in the week ended July 18, 1942, stood at 128.9% of the 1935-1939 average, the same as in the preceding week. It registered 127.1 a month ago, and 112.4 a year ago. The Association's report continued as follows:

Substantial advances in most meat prices were sufficient to counterbalance declines in other items, with the result that the all-commodity index remained at the same level as in the preceding week. In the farm product group 7 items advanced and 6 declined. Generally higher livestock, poultry, and oats prices more than counterbalanced declines in cotton and other grains. In the food group rising prices for butter, cheese, and dried beans were sufficient to counterbalance the effect on the group index of declines in corn meal, potatoes, and veal. Lower cattle feed prices were responsible for a slight drop in the index of miscellaneous commodities. The only other group average to change during the week was the textiles index, which was fractionally lower.

During the week changes in the index were quite evenly balanced, with 11 price series declining and 10 advancing; in the preceding week there were 12 advances and 11 declines; in the second preceding week there were 15 advances and 7 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939 = 100]

% Each Group Bears to the Total Index	Group	Latest Week July 18 1942	Preceding Week July 11 1942	Month Ago June 13 1942	Year Ago July 19 1941
25.3	Foods	125.9	125.9	125.6	107.2
	Fats and Oils	137.6	137.3	136.6	115.7
	Cottonseed Oil	159.6	159.6	158.4	128.2
23.0	Farm Products	137.9	137.4	134.1	112.7
	Cotton	185.9	189.9	176.6	145.9
	Grains	111.5	113.2	112.8	96.6
	Livestock	135.6	133.5	131.0	110.5
17.3	Fuels	125.2	125.2	119.7	110.4
10.8	Miscellaneous commodities	127.6	128.0	127.5	121.9
8.2	Textiles	148.5	149.1	147.2	135.8
7.1	Metals	104.4	104.4	104.4	103.9
6.1	Building materials	151.6	151.6	151.6	116.2
1.3	Chemicals and drugs	120.7	120.7	120.7	105.2
.3	Fertilizer materials	117.8	117.8	117.6	111.0
.3	Fertilizers	115.3	115.3	115.3	106.4
.3	Farm machinery	104.1	104.1	104.1	99.3
100.0	All groups combined	128.9	128.9	127.1	112.4

*Indexes on 1926-1928 base were: July 18, 1942, 100.4; July 11, 100.4; July 19, 1941, 87.6.

Gross And Net Earnings Of United States Railroads For The Month Of May

The earnings of the United States railroads for the month of May reflect to no small degree the extent to which the Nation's war-time efforts are expanding. Last month we found that the gross and net earnings for April were the largest for any April in any previous year and that they exceeded those for the month of March. The figures for the month of May which we present below are not only larger than those of the two preceding months and larger than that reached in the month of May in any previous year, but are larger than those of any month in any year, with the single exception of the gross earnings in October, 1920. Gross earnings of all Class I railroads of the United States reached the huge total of $633,852,568 but the net in the same month of 1920 was only a little more than half of the May, 1942 net, or $117,998,825.

In spite of the tremendous burden placed on the railroads the managements have been able to hold their operating expenses down but it is questionable how long this can continue as additional repairs and upkeep items are bound to follow the hard use the railroads are obliged to give to their equipment.

Gross earnings of the railroads in May amounted to $601,064,733 against $441,529,183 in May last year, an increase of $159,535,550, or 36.13%. Net earnings for May totaled $225,576,889 against $145,481,304, an increase of $80,095,585, or 55.06%. It must also be remembered that this net figure is before fixed charges, depreciation and other items and that after these deductions are made many roads will find that little or nothing is left for stockholders. Below we give the results in tabular form:

Month of May—	1942	1941	Incr. (+) or Decr. (—)	%
Mileage of 132 roads	230,768	232,297	— 1,529	—00.66
Gross earnings	$601,064,733	$441,529,183	+ $159,535,550	+36.13
Operating expenses	375,487,844	296,047,879	+ 79,439,965	+26.83
Ratio of expenses to earnings	(62.47%)	(67.05%)		
Net earnings	$225,576,889	$145,481,304	+ $80,095,585	+55.06

Now, let us turn to those general business conditions which are the chief contributing factors in the development of railroad affairs.

In the subjoined tabulation we present figures representative of the trade activity in the more essential industries, together with those relating to flour, grain and livestock receipts and revenue freight car loadings for the month of May, 1942, in comparison with the corresponding month for the years 1941, 1940, 1932 and 1929:

May	1942	1941	1940	1932	1929
Building ($000):					
†Constr. contracts awarded	673,517	548,700	328,914	77,172	587,766
Coal (net tons):					
‡Bituminous	48,250,000	42,892,000	34,896,000	18,384,000	40,706,000
§Pennsylvania anthracite	4,843,000	3,858,000	3,957,000	3,278,000	6,308,000
Freight Traffic:					
¶Carloadings, all (cars)	z4,170,713	z4,160,060	z3,351,840	x2,088,088	x4,130,467
††Livestock receipts:					
Chicago (cars)	5,387	5,851	5,817	11,864	16,935
Kansas City (cars)	3,639	2,424	2,037	4,343	6,908
Omaha (cars)	1,904	1,728	1,528	3,574	6,050
‡‡Western flour and grain receipts:					
Flour (000 barrels)	z2,239	z2,086	z1,978	z1,820	z2,299
Wheat (000 bushels)	z19,762	z34,418	z32,030	z18,113	z20,643
Corn (000 bushels)	z28,381	z28,291	z14,616	z10,831	z13,138
Oats (000 bushels)	z6,665	z4,428	z4,237	z7,468	z11,355
Barley (000) bushels)	z7,559	z11,329	z7,367	z1,919	z3,052
Rye (000 bushels)	z1,714	z3,609	z1,775	z1,401	z1,524
Iron and Steel (net tons):					
§§Steel ingot production	7,386,890	7,044,565	4,967,782	1,277,302	6,008,754
Lumber (000 feet):					
¶¶Production	z1,246,800	z1,282,013	z1,163,803	z595,157	z1,851,947
¶¶Shipments	z1,444,233	z1,365,622	z1,203,741	z665,787	z1,910,977
¶¶Orders received	z1,502,827	z1,461,332	z1,144,777	z631,820	z1,772,573

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

The activity of every item with the exception of several of the grains indicates a marked increase over May of the previous year. Construction contracts awarded gained $124,817,000, or 22.75%, while Pennsylvania anthracite coal output increased 25.53% to an aggregate of 4,843,000 net tons mined. Bituminous coal output, steel ingot production, and livestock receipts also showed upward trends. The grain movement showed a decrease of 17,994,000 bushels in comparison with May, 1941. A combination of all these activities results in an increase in freight car loadings of 10,653 cars for the five weeks of the month, or converted into a percentage, an increase of 2.56%.

Let us turn now from the underlying factors responsible for the improvement in railroad operations to the records compiled by the individual roads. In sorting out the railroads with major changes in comparison with 1941 from those that showed only minor fluctuations, we find that 82 roads showed increases in gross and 65 recorded increases in net, while only four roads in gross and five in the net category indicated decreases. The Pennsylvania once again led both gross and net listings with respective increases of $18,591,727 and $9,952,130. The second and third largest gains of $11,702,255 and $11,288,808 in the gross compilation were recorded by the Southern Pacific and the New York Central in the order named. Second place in the net listing was taken by the Atchison, Topeka & Santa Fe with a gain of $6,241,596, while the New York Central again placed third with an increase of $4,831,969. An unusual showing was made by the Colorado & Southern (exclusive of the Fort Worth & Denver City). This road showed an increase of only $74,459 in the gross listing, but compiled an increase of $135,076 in net, or a $60,617 larger gain in net than in gross.

We now show in the following table all changes for the separate roads and systems in both gross and net exceeding $100,000:

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF MAY

	Increase		Increase
Pennsylvania	$18,591,727	Alton	$713,921
Southern Pacific (2 roads)	11,702,255	Long Island	654,777
New York Central	*11,288,808	Nash. Chattanooga & St. L.	643,585
Atchison Topeka & Santa Fe	9,649,167	Western Maryland	642,365
Union Pacific	8,275,535	Cinc. New Orl. & Tex. Pac.	636,580
Baltimore & Ohio	5,885,189	New Orleans Northeastern	601,169
Southern	5,748,426	Florida East Coast	584,593
Illinois Central	5,725,899	International Great Northern	573,647
Missouri Pacific	5,191,766	Elgin Joliet & Eastern	484,903
Louisville & Nashville	4,545,919	Central of Georgia	472,812
Atlantic Coast Line	4,084,339	Spokane Portland & Seattle	453,683
Seaboard Air Line	3,980,187	Louisiana & Arkansas	356,862
New York, New Haven & H.	3,853,489	Minn. St. P. & S. S. Marie	332,242
Chesapeake & Ohio	3,146,777	Pittsburgh & Lake Erie	323,797
Chi. Milw. St. Paul & Pac.	2,744,515	Georgia	276,336
Chi. Burlington & Quincy	2,722,224	Norfolk Southern	229,350
New York Chi. & St. Louis	2,668,376	Colo. & Southern (2 roads)	209,220
Erie	2,650,323	Chicago & Eastern Illinois	207,364
Northern Pacific	2,313,950	Maine Central	198,593
Great Northern	2,213,011	Bessemer & Lake Erie	192,094
St. Louis Southwestern	1,877,904	Western Ry. of Alabama	172,015
Reading	1,875,271	Pa.-Reading Seashore Lines	166,145
Chicago & North Western	1,789,044	Chi. St. P. Minn. & Omaha	164,683
Chi. Rock Island & Pacific	1,747,523	Pere Marquette	161,507
St. Louis-San Fran. (2 roads)	1,717,429	Illinois Terminal	155,381
Denver & Rio Grande West.	1,659,108	Lehigh & Hudson River	152,204
Kansas City Southern	1,643,499	Wheeling & Lake Erie	140,214
Norfolk & Western	1,627,715	Clinchfield	133,953
Wabash	1,604,839	Chicago Great Western	129,876
Missouri-Kansas-Texas	1,431,915	Atlanta & West Point	125,566
Central of New Jersey	1,431,435	Atlanta Birmingham & Coast	124,742
Boston & Maine	1,395,613	Tennessee Central	123,537
Lehigh Valley	1,260,300	Can. Pac. Lines in Maine	107,162
Texas & Pacific	1,205,751	New York Ontario & Western	104,124
Richmond Fred. & Potomac	1,187,112		
Delaware & Hudson	1,112,918	Total (82 roads)	$159,028,115
Delaware Lack. & Western	1,076,350		Decrease
Western Pacific	1,052,996	Grand Trunk Western	$293,835
New Orl. Tex. & Mex. (3 rds.)	1,017,209	Virginian	290,535
Gulf Mobile & Ohio	957,243	Detroit Toledo & Ironton	179,121
Yazoo & Mississippi Valley	928,285	New York Connecting	134,116
Duluth Missabe & Iron Rge.	900,582		
Alabama Great Southern	797,179	Total (4 roads)	$897,607

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $11,612,605.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF MAY

	Increase		Increase
Pennsylvania	$9,952,130	Norfolk & Western	$565,409
Atchison Topeka & Santa Fe	6,241,596	Missouri-Kansas-Texas	531,160
New York Central	*4,831,969	Texas & Pacific	531,010
Southern Pacific (2 roads)	4,491,789	Boston & Maine	511,921
Southern	3,460,201	Delaware Lack. & Western	492,861
Illinois Central	3,423,768	Yazoo & Mississippi Valley	474,499
Missouri Pacific	3,272,398	Florida East Coast	422,777
Union Pacific	3,105,953	Spokane Portland & Seattle	403,005
Seaboard Air Line	2,652,123	New Orleans & Northeastern	402,541
Louisville & Nashville	2,553,302	Delaware & Hudson	366,771
Atlantic Coast Line	2,503,669	Alton	351,583
New York New Haven & H.	2,475,955	International Great Northern	336,889
Baltimore & Ohio	2,071,173	Cinc. New Orl. & Tex. Pac.	306,045
Chi. Burlington & Quincy	1,753,208	Nash. Chattanooga & St. L.	294,923
New York Chicago & St. L.	1,595,738	Central of Georgia	248,804
Chesapeake & Ohio	1,587,218	Western Maryland	204,084
Chi. Milw. St. P. & Pac.	1,309,899	Georgia	177,767
St. Louis Southwestern	1,132,841	Colorado & Southern (2 rds.)	166,338
Denver & Rio Grande West.	1,093,027	Louisiana & Arkansas	154,682
Erie	999,380	Norfolk Southern	136,079
Kansas City Southern	996,276	Pittsburgh & Lake Erie	122,986
Chicago & North Western	945,476	Illinois Terminal	118,017
Wabash	932,023	Western Ry. of Alabama	116,535
Richmond Fred. & Potomac	912,833	Elgin Joliet & Eastern	105,053
St. Louis-San Fran. (2 roads)	840,158	Pa.-Reading Seashore Lines	100,325
Great Northern	818,575		
Chi. Rock Island & Pacific	735,076	Total (65 roads)	$79,622,466
Reading	716,035		Decrease
Western Pacific	710,382	Virginian	$308,898
New Orl. Tex. & Mex. (3 rds.)	682,505	Detroit Toledo & Ironton	225,607
Northern Pacific	681,843	Grand Trunk Western	289,743
Gulf Mobile & Ohio	646,267	New York Connecting	187,021
Central of New Jersey	644,237	Pere Marquette	116,254
Duluth Missabe & Iron Rge.	619,594		
Alabama Great Southern	591,784	Total (5 roads)	$1,127,523

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $4,954,955.

As for the grouping of the railroads into districts and regions, we find that all the geographical subdivisions contributed heavily to the respective 36.13% and 55.06% increases in gross and net. The Southern District recorded the greatest percentage gain in gross with an increase of 43.67%, while the Western District ran a close second with a gain of 40.08% over May, 1941. In the net classification, however, this procedure was reversed with the Western District indicating the greatest gain, one of 68.19%, while the Southern District was second with a 65.75% gain followed by the Eastern District which showed an improvement of 39.66%. The Southwestern region of the Western District grouping and the Southern region of the Southern District area recorded the largest percentage gains of all the regions with respective improvements of 111.37% and 101.34%. Both of these were in the net listing.

For a more detailed picture we make reference to our summary by groups which follows below. Our grouping of the roads is in conformity with the listing of the Interstate Commerce Commission. The boundaries of the various districts and regions are indicated in the footnotes subjoined to the table:

SUMMARY BY GROUPS—MONTH OF MAY

District and Region	Gross Earnings			
Eastern District—	$	$	$	%
New England region (10 roads)	23,284,128	17,855,161	+ 5,428,967	+30.41
Great Lakes region (23 roads)	102,849,685	80,498,438	+ 22,351,247	+27.77
Central Eastern region (18 roads)	128,760,652	98,214,455	+ 30,546,197	+31.10
Total (51 roads)	254,894,465	196,568,054	+ 58,326,411	+29.67
Southern District—				
Southern region (26 roads)	87,440,012	56,371,161	+ 31,068,851	+55.11
Pocahontas region (4 roads)	33,423,734	27,752,665	+ 5,671,069	+20.43
Total (30 roads)	120,863,746	84,123,826	+ 36,739,920	+43.67
Western District—				
Northwestern region (15 roads)	63,438,806	52,202,578	+ 11,236,228	+21.52
Central Western region (16 roads)	112,909,983	77,659,088	+ 35,250,895	+45.39
Southwestern region (20 roads)	48,957,733	30,975,637	+ 17,982,096	+58.05
Total (51 roads)	225,306,522	160,837,303	+ 64,469,219	+40.08
Total all districts (132 roads)	601,064,733	441,529,183	+159,535,550	+36.13

District and Region	Mileage 1942	Mileage 1941	Net Earnings 1942	Net Earnings 1941	Incr. (+) or Dec. (—)	
Eastern District—			$	$	$	%
New England region	6,649	6,699	8,868,673	6,224,029	+ 2,644,644	+42.49
Great Lakes region	26,023	26,064	35,233,227	26,232,648	+ 9,000,579	+34.31
Central East. region	24,219	24,549	45,536,355	31,726,421	+13,809,934	+43.53
Total	56,891	57,312	89,638,255	64,183,098	+25,455,157	+39.66
Southern District—						
Southern region	37,161	38,104	37,202,416	18,477,544	+18,724,872	+101.34
Pocahontas region	6,059	6,086	16,950,474	14,193,912	+ 2,756,562	+19.42
Total	43,220	44,190	54,152,890	32,671,456	+21,481,434	+65.75
Western District—						
Northwestern region	45,609	45,534	23,174,988	18,388,407	+ 4,786,581	+26.03
Central West. region	56,055	56,203	38,929,738	20,927,414	+18,002,324	+86.02
Southwestern region	28,993	29,058	19,681,018	9,310,929	+10,370,089	+111.37
Total	130,657	130,795	81,785,744	48,626,750	+33,158,994	+68.19
Total all districts	230,768	232,297	225,576,889	145,481,304	+80,095,585	+55.06

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The Western grain movement fell off 17,994,000 bushels, to 64,081,000 bushels for the five-week May period of the current year in comparison with the similar period of 1941. Wheat recorded the most drastic decrease with a drop of 14,656,000 bushels from the previous year's mark of 34,418,000 bushels, while barley recorded a decrease of 3,770,000 bushels from 1941's aggregate of 11,329,000 bushels. Minor increases were shown in corn and oats receipts. Flour receipts fluctuated slightly with a gain of 153,000 barrels which brought the five-week total for the current May period to 2,239,000 barrels.

The month of May figures and the cumulative totals for the year to May 30 are detailed in the following table which is presented in our usual form:

WESTERN FLOUR AND GRAIN RECEIPTS
Five Weeks Ended May 30

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	1,000	905	8,890	2,145	416	1,472
	1941	906	1,605	9,576	1,597	1,751	1,268
Minneapolis	1942	---	7,833	2,514	1,674	841	2,363
	1941	82	9,601	2,981	1,265	1,483	5,671
Duluth	1942	---	4,010	2,792	2	35	146
	1941	---	4,022	4,818	155	49	875
Milwaukee	1942	85	34	1,146	105	51	2,699
	1941	83	462	1,059	29	49	2,898
Toledo	1942	283	391	402	277	165	38
	1941	---	1,018	114	286	2	4
Indianapolis & Omaha	1942	---	811	3,545	1,130	23	2
	1941	---	2,264	3,264	470	172	3
St. Louis	1942	577	633	1,941	272	77	283
	1941	633	1,834	1,566	90	9	153
Peoria	1942	201	356	4,273	192	72	393
	1941	217	147	3,839	184	77	333
Kansas City	1942	93	3,298	2,259	530	---	---
	1941	165	11,150	512	174	---	---
St. Joseph	1942	---	182	320	287	---	---
	1941	---	224	193	151	---	---
Wichita	1942	---	807	19	2	---	---
	1941	---	1,927	---	---	---	2
Sioux City	1942	---	502	280	49	19	163
	1941	---	164	369	27	17	122
Detroit	1942	---	---	---	---	15	---
	1941	---	---	---	---	---	---
Total all	1942	2,239	19,762	28,381	6,665	1,714	7,559
	1941	2,086	34,418	28,291	4,428	3,609	11,329

WESTERN FLOUR AND GRAIN RECEIPTS
Five Months Ended May 30

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	4,761	3,369	42,018	7,779	1,460	6,100
	1941	4,205	5,130	39,573	5,916	2,109	5,568
Minneapolis	1942	---	36,112	10,348	11,116	4,530	14,603
	1941	82	24,747	5,722	6,359	3,502	16,524
Duluth	1942	---	13,514	5,518	71	779	1,301
	1941	---	8,080	5,632	386	147	1,772
Milwaukee	1942	337	167	4,706	327	415	10,657
	1941	388	567	3,789	166	207	9,206
Toledo	1942	283	2,795	3,698	1,376	438	101
	1941	---	3,710	1,428	2,559	22	35
Indianapolis & Omaha	1942	---	4,743	23,424	4,985	171	34
	1941	---	5,001	14,581	2,380	240	30
St. Louis	1942	2,900	4,000	10,793	1,464	643	1,091
	1941	3,047	5,405	4,761	1,162	148	727
Peoria	1942	836	1,006	19,920	726	416	1,598
	1941	1,009	980	12,830	863	433	1,565
Kansas City	1942	343	16,283	15,500	1,530	---	---
	1941	566	20,464	3,322	702	---	---
St. Joseph	1942	---	1,136	2,364	1,388	---	---
	1941	---	671	879	822	---	---
Wichita	1942	---	4,565	19	2	---	---
	1941	---	6,863	---	---	---	10
Sioux City	1942	---	859	1,935	329	72	679
	1941	---	626	848	172	30	541
Detroit	1942	---	---	---	---	15	---
	1941	---	---	---	---	---	---
Total all	1942	9,460	88,549	140,243	31,093	8,939	36,164
	1941	9,297	82,244	93,365	21,487	6,838	35,978

In the subjoined table we now present a summary of the May comparisons of the gross and net earnings of the railroads of the country as furnished for each year back to and including 1909:

Month of May	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$196,826,686	$170,600,041	+$26,226,645	+15.37	220,314	217,933
1910	230,033,384	198,049,990	+ 31,983,394	+16.15	229,345	225,274
1911	226,442,818	231,066,896	— 4,624,078	— 2.00	236,230	232,503
1912	232,229,364	226,184,666	+ 6,044,698	+ 2.67	235,410	231,597
1913	263,496,033	232,879,970	+ 30,616,063	+13.15	239,445	236,619
1914	239,427,102	265,435,022	— 26,007,920	— 9.80	246,060	243,954
1915	244,692,738	243,367,953	+ 1,324,785	+ 0.54	247,747	245,207
1916	308,029,096	244,580,685	+ 63,448,411	+25.94	248,006	247,189
1917	353,825,032	308,132,969	+ 45,692,063	+14.83	248,312	247,842
1918	374,237,097	342,463,442	+ 31,773,655	+ 9.28	230,355	228,892
1919	413,190,468	378,058,163	+ 35,132,305	+ 9.29	233,931	234,339
1920	387,330,487	348,701,414	+ 38,629,073	+11.08	213,206	211,040
1921	444,028,885	457,243,216	— 13,214,331	— 2.89	235,333	234,916
1922	447,299,150	443,229,399	+ 4,069,751	+ 0.92	234,931	234,051
1923	545,503,898	447,993,844	+ 97,510,054	+21.77	235,186	235,472
1924	476,458,749	546,934,883	— 70,476,133	—12.89	235,894	234,452
1925	487,664,385	476,549,801	+ 11,114,584	+ 2.33	236,663	236,098
1926	516,467,480	487,952,182	+ 28,515,298	+ 5.84	236,833	236,858
1927	517,543,015	516,454,998	+ 1,088,017	+ 0.21	238,025	237,275
1928	509,746,395	518,569,718	— 8,823,323	— 1.70	240,120	239,079
1929	536,723,030	510,543,213	+ 26,179,817	+ 5.13	241,280	240,798
1930	462,444,002	537,575,914	— 75,131,912	—13.97	242,156	241,758
1931	368,485,871	462,577,503	— 94,091,632	—20.34	242,716	242,542
1932	254,382,711	368,417,190	—114,034,479	—30.95	241,995	242,163
1933	257,963,036	254,378,672	+ 3,584,364	+ 1.41	241,484	242,143
1934	281,627,332	254,857,827	+ 26,769,505	+10.50	238,983	240,906
1935	279,153,707	281,642,980	— 2,489,273	— 0.88	237,951	238,980
1936	320,487,420	279,133,293	+ 41,354,127	+14.82	237,012	238,159
1937	352,044,249	320,414,211	+ 31,630,038	+ 9.87	235,873	236,357
1938	272,073,108	351,973,150	— 79,900,042	—22.70	234,759	235,547
1939	301,992,820	272,017,483	+ 29,975,337	+11.02	233,545	234,694
1940	342,532,854	301,993,228	+ 40,539,626	+13.42	232,819	233,530
1941	441,529,184	342,665,256	+ 98,863,928	+28.85	232,242	232,863
1942	601,064,733	441,529,183	+159,535,550	+36.31	230,768	232,297

Month of May	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$64,690,920	$49,789,800	+$14,901,120	+29.93
1910	70,084,170	64,857,343	+ 5,226,827	+ 8.06
1911	69,173,574	70,868,645	— 1,695,071	— 2.39
1912	66,035,597	68,488,263	— 2,452,666	— 3.58
1913	73,672,313	66,499,916	+ 7,172,397	+10.79
1914	57,628,765	73,385,635	— 15,756,870	—21.47
1915	71,958,563	57,339,166	+ 14,619,397	+25.50
1916	105,598,255	71,791,320	+ 33,806,935	+47.09
1917	109,307,435	105,782,717	+ 3,524,718	+ 3.33
1918	91,995,194	106,454,218	— 14,459,024	—13.58
1919	58,293,249	92,252,037	— 33,958,788	—36.81
1920	28,684,058	51,056,449	— 22,372,391	—43.82
1921	64,882,813	20,043,003	+ 44,839,810	+223.72
1922	92,931,565	64,866,637	+ 28,064,928	+43.27
1923	126,173,540	93,599,825	+ 32,573,715	+34.80
1924	96,048,087	126,496,150	— 30,448,063	—24.07
1925	112,859,524	96,054,494	+ 16,805,030	+17.50
1926	128,581,566	112,904,074	+ 15,677,492	+13.89
1927	126,757,878	127,821,385	— 1,063,507	— 0.83
1928	128,780,393	127,940,076	+ 840,317	+ 0.66
1929	146,798,792	129,044,791	+ 17,754,001	+13.76
1930	111,387,758	147,099,034	— 35,711,276	—24.28
1931	81,038,584	111,359,322	— 30,320,738	—27.23
1932	47,429,240	81,052,518	— 33,623,278	—41.48
1933	74,844,410	47,416,270	+ 27,428,140	+57.85
1934	72,084,732	73,703,351	— 1,618,619	— 2.20
1935	70,416,370	72,083,220	— 1,666,850	— 2.31
1936	80,729,491	70,331,577	+ 10,397,914	+14.78
1937	85,335,430	80,737,173	+ 4,598,257	+ 5.70
1938	55,483,001	85,335,563	— 29,852,562	—34.98
1939	65,168,331	55,486,333	+ 9,681,998	+17.45
1940	90,494,636	65,198,328	+ 25,296,308	+38.80
1941	145,348,136	90,573,937	+ 54,774,199	+60.48
1942	225,576,889	145,481,304	+ 80,095,585	+55.06

New Capital Issues In Great Britain

The following statistics have been compiled by the Midland Bank Limited. These compilations of issues of new capital, which are subject to revision, exclude all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues for conversion or redemption of securities previously held in the United Kingdom; short-dated bills sold in anticipation of long-term borrowings; and loans of municipal and county authorities which are not specifically limited. In all cases the figures are based upon the prices of issue.

NEW CAPITAL ISSUES IN THE UNITED KINGDOM
(Compiled by the Midland Bank Limited)
£000 omitted

	Total	Geographical distribution United Kingdom	British overseas countries	Foreign countries
1937, 1st half	97,416	80,661	15,633	1,122
2nd half	73,490	58,107	9,305	6,078
1938, 1st half	74,051	56,139	14,916	2,996
2nd half	44,046	36,607	6,368	1,071
1939, 1st half	57,145	39,906	17,018	221
2nd half	9,149	3,429	1,295	4,425
1940, 1st half	3,068	2,716	157	195
2nd half	1,028	828	200	----
1941, 1st half	1,280	1,031	249	----
2nd half	1,046	896	150	----
1942, 1st half	660	660	----	----

Morgenthau Honored

Secretary of the Treasury Morgenthau visited the Federal Reserve Bank of New York on July 1 for the first time since he became head of the Treasury in January, 1934. Allan Sproul, President of the Reserve Bank, tendered a luncheon to Mr. Morgenthau, which was attended by the heads of leading banks of the city. The Secretary is understood to have discussed informally with the bankers the Treasury's financing problems.

Those attending the luncheon included: Winthrop W. Aldrich, Chairman of Chase National Bank; John E. Bierwirth, President of New York Trust Co.; James C. Blaine, President of Marine Midland Trust Co.; W. Randolph Burgess, Vice-Chairman of National City Bank; Leon Fraser, President of First National Bank; E. Chester Gersten, President of Public National Bank & Trust Co.; F. Abbot Goodhue, President of Bank of the Manhattan Co.; William S. Gray, Jr., President of Central Hanover Bank & Trust Co.; Frank K. Houston, President of Chemical Bank & Trust Co.; Herbert P. Howell, Chairman of Commercial National Bank & Trust Co.; Edwin G. Merrill, Chairman of Bank of New York; William C. Potter, Chairman of Executive Committee, Guaranty Trust Co.; Gordon S. Rentschler, Chairman of National City Bank; Dunham B. Sherer, Chairman of Corn Exchange Bank Trust Co.; Ernest G. Stauffen, Jr., Chairman of the Trust Committee, Manufacturers Trust Co.; B. A. Tompkins, Vice-President of Bankers Trust Co.; Harry E. Ward, Chairman of Irving Trust Co.; George Whitney, President of J. P. Morgan & Co., Inc., and Perry E. Hall, Executive Manager of the Victory Fund Committee of the Second Federal Reserve District.

Exporters' Reference Guide

A summary of the current Maximum Export Price Regulation, as a ready reference for exporters, has been prepared by the Foreign Trade Bureau of the Commerce and Industry Association of New York, Inc., it was announced July 15 by Thomas Jefferson Miley, the Association's Secretary. The summary which is being distributed to the Association's members explains and brings up to date Section 1375 of the Regulation with six amendments.

After stating basic procedure for determining maximum export prices, it lists information concerning maximum export prices of such commodities as textiles, iron and steel products, and solid fuels. Copies of the summary are available at the Association's offices in the Woolworth Building.

Named To Production Bd.

Donald M. Nelson, Chairman of the War Production Board and American member of the Anglo-American Combined Production and Resources Board, has named James S. Knowlson, Director of the WPB's Division of Industry Operations, as his deputy on the joint board.

The British member of the Board, Oliver Lyttelton, Production Minister, has appointed Sir Robert J. Sinclair, Director General of Army Requirements in the British War Office, as his deputy.

The Board was set up in Washington on June 9 by President Roosevelt and Prime Minister Churchill in order to integrate the combined resources of the two countries for the prosecution of the war (referred to in these columns of June 11, page 2202.).

Mr. Nelson also has named W. Averell Harriman, Lend-Lease Coordinator, and Philip D. Reed, chief of the WPB's Bureau of Industry Branches, as his representatives in London.

Daily Average Crude Oil Production For Week Ended July 11, 1942, Increased 360,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 11, 1942 was 3,657,400 barrels, an increase of 360,250 barrels over the preceding week. It was, however, 213,350 barrels per day less than the output during the week ended July 12, last year, and 185,400 barrels below the daily average for the month of July, 1942, as recommended by the Office of Petroleum Coordinator. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.9% of the 4,684,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,582,000 barrels of crude oil daily during the week ended July 11, 1942, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of that week, 85,658,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,675,000 barrels during the week ended July 11, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations July	*State Allowables Beginning July 1	—Actual Production— Week Ended July 11 1942	Change From Previous Week	4 Weeks Ended July 11 1942	Week Ended July 12 1941
Oklahoma	433,000	433,000	†372,000	— 4,050	373,750	412,950
Kansas	283,200	283,200	†271,150	+ 11,050	270,800	233,800
Nebraska	4,100	------	†3,600	— 150	3,700	5,050
Panhandle Texas			80,400	+ 900	88,850	84,050
North Texas			142,800	+ 250	144,700	133,500
West Texas			207,200	+ 68,650	196,250	265,200
East Central Texas			85,300	+ 11,000	86,900	84,300
East Texas			290,100	+ 72,500	291,350	372,950
Southwest Texas			146,850	+ 48,400	138,150	212,000
Coastal Texas			251,300	+ 79,450	236,750	285,000
Total Texas	1,214,400	‡1,284,711	1,203,950	+ 281,150	1,182,950	1,437,000
North Louisiana			93,350	+ 2,000	90,950	74,200
Coastal Louisiana			221,950	+ 3,700	219,900	239,900
Total Louisiana	319,600	337,600	315,300	+ 5,700	310,850	314,100
Arkansas	78,500	70,823	70,950	— 3,150	73,150	72,350
Mississippi	49,900		†83,850	— 100	82,800	42,200
Illinois	304,100		283,950	+ 5,650	279,200	341,650
Indiana	22,000		†19,000	+ 250	19,200	22,450
Eastern (not incl. Ill. and Ind)	112,600		95,500	— 4,200	97,900	89,900
Michigan	64,800		67,900	+ 800	66,450	39,650
Wyoming	96,800		91,900	— 350	91,800	85,500
Montana	23,100		21,400	— 500	21,850	19,400
Colorado	7,700		6,400	+ 50	6,600	3,800
New Mexico	89,500	89,500	65,150	------	65,100	111,350
Total East of Calif.	3,103,300		2,972,000	+ 292,150	2,946,100	3,231,150
California	739,500	§739,500	685,400	+ 68,100	652,600	639,600
Total United States	3,842,800		3,657,400	+ 360,250	3,598,700	3,870,750

*O. P. C. recommendations and State allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual State production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline in April, 1942, as follows: Oklahoma, 27,500; Kansas, 4,800; Texas, 90,700; Louisiana, 15,300; Arkansas, 2,600; New Mexico, 5,300; California, 40,100; other States, 22,200.

†Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a.m. July 8.

‡This is the net basic 31-day allowable as of July 1. In the area outside East Texas shutdowns were ordered for July 4, 5, 11, 12, 18, 19, 25, 26, 29, 30 and 31; in East Texas for July 6, 13, and 20, in addition to the aforementioned days.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED JULY 11, 1942

(Figures in Thousands of Barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,563	65.6	4,579	40,642	16,052	17,073
Appalachian	174	84.5	160	92.0	449	2,741	567	528
Ind., Ill., Ky.	784	84.9	762	97.2	2,519	16,131	4,041	3,447
Okla., Kansas, Mo.	418	81.1	385	92.1	1,253	7,645	1,375	1,470
Rocky Mountain	138	50.7	100	72.5	303	2,307	365	555
California	787	90.9	612	77.8	1,572	16,192	12,018	54,818
Tot. U. S. B. of M. basis July 11, 1942	4,684	86.9	3,582	76.5	10,675	†85,658	34,418	77,891
Tot. U. S. B. of M. basis July 4, 1942	4,684	86.9	3,551	75.8	10,959	87,014	33,520	76,903
U. S. Bur. of Mines basis July 12, 1941			4,103		13,808	87,922	39,849	90,914

*At the request of the Office of the Petroleum Coordinator.

†Finished 78,037,000 bbls.; unfinished 7,621,000 bbls. ‡At refineries, at bulk terminals, in transit, and in pipe lines.

Wholesale Commodity Prices Continue Steady In July 11 Week, Labor Bureau Reports

Continuing the steadiness which has characterized commodity markets since the imposition of the General Maximum Price Regulation, the Bureau of Labor Statistics' index of prices of nearly 900 price series in primary markets remained unchanged at 98.5% of the 1926 average during the week ended July 11. Prices for important agricultural commodities, including grains, hogs, cotton, fresh milk at New York and for peanuts and sweet potatoes advanced during the week while prices for certain industrial commodities, particularly rosin, turpentine, Douglas fir timbers, and boxboard, declined. In the past month the general level has risen only 0.1%. It is now approximately 12% higher than a year ago at this time.

Average market prices for farm products advanced 0.6% during the week while foods dropped 0.6%. Textile products declined 0.5%; building materials, 0.3%, and miscellaneous commodities, 0.1%.

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes, however, must be considered as preliminary and subject to such adjustment and revision as required by late and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for June 13, 1942, and July 12, 1941, and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity Groups—	7-11 1942	7-4 1942	6-27 1942	6-13 1942	7-12 1941	Percentage changes to July 11, 1942 from— 7-4 1942	6-13 1942	7-12 1941
All Commodities	*98.5	*98.5	*98.4	*98.4	88.1	0	+ 0.1	+ 11.8
Farm products	105.5	104.9	104.6	104.3	85.0	+ 0.6	+ 1.2	+ 24.1
Foods	98.7	99.3	99.3	99.5	84.1	—0.6	—0.8	+ 17.4
Hides and leather products	118.9	118.9	118.9	118.9	109.3	0	0	+ 8.8
Textile products	96.8	97.3	97.3	97.2	84.3	—0.5	—0.4	+ 14.8
Fuel and lighting materials	79.5	79.5	79.2	78.9	79.1	0	+ 0.8	+ 0.5
Metals and metal products	*104.0	*104.0	*104.0	*104.0	98.6	0	0	+ 5.5
Building materials	110.3	110.6	110.0	109.9	102.4	—0.3	+ 0.4	+ 7.7
Chemicals and allied products	97.2	97.2	97.2	97.2	85.1	0	0	+ 14.2
Housefurnishing goods	104.5	104.5	104.5	104.5	95.3	0	0	+ 9.7
Miscellaneous commodities	90.0	90.1	90.0	89.9	81.3	—0.1	+ 0.1	+ 10.7
Raw materials	99.8	99.9	99.6	99.6	85.1	—0.1	+ 0.2	+ 17.3
Semimanufactured articles	92.8	92.8	92.8	92.8	87.3	0	0	+ 6.3
Manufactured products	*98.9	*98.9	*98.8	*98.8	89.9	0	+ 0.1	+ 10.0
All commodities other than farm products	*97.0	*97.2	*97.1	*97.1	88.8	—0.2	—0.1	+ 9.2
All commodities other than farm products and foods	*96.0	*96.1	*96.0	*95.9	89.5	—0.1	+ 0.1	+ 7.3

*Preliminary.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report states that the total production of soft coal in the week ended July 11 is estimated at 10,760,000 net tons. This is an increase over the preceding week when output was curtailed by the Miners' holiday and the observance of Independence Day. The current figure, however, falls short of the pre-holiday level, but was an increase of 1,092,000 tons over the corresponding week of last year.

Production of Pennsylvania anthracite, according to the U. S. Bureau of Mines, for the week ended July 11, 1942, was estimated at 1,193,000 tons, an increase of 252,000 tons, or 26.8% over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 29,000 tons (2.5%). The calendar year to date shows a gain of 10.9% when compared with the same period last year.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended July 11 showed an increase of 20,900 tons when compared with the output for the week ended July 4. The quantity of coke from beehive ovens increased 28,500 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (000 OMITTED)

Bituminous and lignite coal—	Week Ended July 11, 1942	July 4, 1942	July 12, 1941	January 1 to Date †July 11, 1942	July 12, 1941	July 10, 1937
Total, incl. mine fuel	10,760	8,135	9,668	300,658	243,111	234,200
Daily average	1,793	2,034	1,934	1,873	1,521	1,460
*Crude petroleum— Coal equivalent of weekly output	5,859	5,281	6,200	165,898	162,951	148,976

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702). †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn anthracite—	Week Ended §July 11, 1942	July 4, 1942	July 12, 1941	Calendar Year to Date §July 11, 1942	July 12, 1941	July 13, 1929
*Total, incl. colliery fuel	1,193,000	941,000	1,164,000	31,190,000	28,129,000	37,313,000
†Commercial production	1,133,000	894,000	1,106,000	29,630,000	26,723,000	34,626,000
Beehive coke— United States total	154,800	126,300	136,000	4,165,300	3,182,700	3,129,700
By-product coke— United States total	1,168,600	1,189,500	‡	32,218,400	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended July 4, 1942	June 27, 1942	July 5, 1941	July 6, 1940	July 3, 1937	July avge. ¶1923
Alaska	5	4	4	2	4	**
Alabama	288	393	223	270	255	389
Arkansas and Oklahoma	66	78	13	22	20	74
Colorado	96	138	69	56	77	165
Georgia and North Carolina	1	1	††	††	††	**
Illinois	1,048	1,212	726	676	692	1,268
Indiana	283	402	263	246	238	451
Iowa	42	47	33	42	20	87
Kansas and Missouri	124	142	86	72	85	134
Kentucky—Eastern	508	973	587	682	685	735
Kentucky—Western	190	241	151	112	128	202
Maryland	32	42	24	18	26	42
Michigan	5	5	1	††	††	17
Montana (bituminous and lignite)	56	61	41	42	40	41
New Mexico	27	29	17	21	32	52
North and South Dakota (lignite)	23	27	19	18	14	**14
Ohio	574	754	356	388	393	854
Pennsylvania (bituminous)	2,160	2,850	1,833	1,879	2,003	3,680
Tennessee	115	154	99	89	103	113
Texas (bituminous and lignite)	6	5	7	10	19	23
Utah	85	113	38	29	45	87
Virginia	267	408	271	269	257	239
Washington	42	44	25	21	35	37
*West Virginia—Southern	1,286	2,302	1,379	1,696	1,653	1,519
†West Virginia—Northern	696	889	473	538	480	866
Wyoming	110	108	84	79	71	115
‡Other Western States	††	††	††	††	††	**4
Total bituminous and lignite	8,135	11,425	6,822	7,277	7,375	11,208
§Pennsylvania anthracite	941	1,238	64	696	989	1,950
Total, all coal	9,076	12,663	6,886	7,973	8,364	13,158

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Lumber Movement—Week Ended July 11, 1942

Lumber production during the week ended July 11, 1942, was 10% greater than the previous week (including July 4 holiday), shipments were 6% greater, new business 17% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 14% above production; new orders 28% above production. Compared with the corresponding week of 1941, production was 9% less, shipments, 5% greater, and new business 1% greater. The industry stood at 126% of the average of production in the corresponding week of 1935-39 and 156% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 27 weeks of 1942 was 2% below corresponding weeks of 1941; shipments were 7% above the shipments, and new orders 8% above the orders of the 1941 period. For the 27 weeks of 1942, new business was 25% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 70% on July 11, 1942, compared with 46% a year ago. Unfilled orders were 15% greater than a year ago; gross stocks were 25% less.

Softwoods and Hardwoods

Record for the current week ended July 11, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	448	448	456
Production	245,247	268,820	222,009
Shipments	280,603	266,123	264,786
Orders	314,802	313,134	268,788

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	366		96	
Production	234,280—	100%	10,967—	100%
Shipments	266,173	114	14,430	132
Orders	302,327	129	12,475	114

FHLB Dividends Higher

Dividend payments by 11 of the regional Federal Home Loan Banks for the first half of 1942 amounted to $1,003,201, as compared with $866,000 for the similar period in 1941, James Twohy, Governor of the Federal Home Loan Bank System, announced on July 18. The twelfth bank declares its dividends on Dec. 31 for the full year. Of the 1942 earnings, it is indicated, $706,311 went to the Reconstruction Finance Corporation—now owner of the Government's stock in the 12 banks—and $296,890 to the member savings and loan associations, cooperative banks, mutual savings banks and insurance companies, in proportion to their ownership of the banks' capital stock. The System's announcement further said:

"Since they were founded nearly ten years ago, the regional banks of the System have paid their members $4,225,198 and the Government $14,187,493 in dividends, to a total of $18,412,691. The Federal Home Loan Bank System provides a credit reservoir for some 3,815 thrift and home-financing institutions.

"Outstanding advances of the 12 regional banks to their members on June 30 stood at $192,645,000, as compared with $169,897,000 June 30, 1941. Cumulative advances total $977,884,000. Of this amount, $785,239,000 has been repaid.

"Assets of the banks now amount to $309,976,000, a gain of 6.3% in the past year. Reserves and undivided profits of $14,106,000 compare with $12,034,000 reported on June 30, 1941."

Revenue Freight Car Loadings During Week Ended July 11, 1942, Totaled 855,124 Cars

Loading of revenue freight for the week ended July 11 totaled 855,124 cars, the Association of American Railroads announced on July 16. This was a decrease below the corresponding week in 1941 of 21,018 cars or 2.4%, but an increase above the same week of 1940 of 118,341 cars or 16.1%.

Loading of revenue freight for the week of July 11 increased 101,269 cars or 13.4% above the preceding week, which included a holiday.

Miscellaneous freight loading totaled 384,237 cars, an increase of 27,571 cars above the preceding week, and an increase of 21,571 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 88,795 cars, an increase of 6,759 cars above the preceding week, but a decrease of 65,338 cars below the corresponding week in 1941.

Coal loading amounted to 158,821 cars, an increase of 38,471 cars above the preceding week, and an increase of 11,357 cars above the corresponding week in 1941.

Grain and grain products loading totaled 53,509 cars, an increase of 11,169 cars above the preceding week, but a decrease of 9,186 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of July 11 totaled 39,027 cars, an increase of 8,781 cars above the preceding week, but a decrease of 5,151 cars below the corresponding week in 1941.

Live stock loading amounted to 10,348 cars, an increase of 840 cars above the preceding week, and an increase of 171 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of July 11 totaled 7,223 cars, an increase of 426 cars above the preceding week, and an increase of 157 cars above the corresponding week in 1941.

Forest products loading totaled 51,033 cars, an increase of 6,602 cars above the preceding week, and an increase of 6,778 cars above the corresponding week in 1941.

Ore loading amounted to 94,037 cars, an increase of 8,091 cars above the preceding week, and an increase of 12,862 cars above the corresponding week in 1941.

Coke loading amounted to 14,344 cars, an increase of 1,766 cars above the preceding week, and an increase of 767 cars above the corresponding week in 1941.

All districts reported decreases, compared with the corresponding week in 1941, except the Southern, Northwestern and Southwestern but all districts reported increases over 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Week of July 4	753,855	740,359	637,169
Week of July 11	855,124	876,142	736,783
Total	22,668,984	21,467,233	18,288,487

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 11, 1942. During this period only 47 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JULY 11

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	378	601	542	1,145	1,332
Bangor & Aroostook	1,072	985	1,233	200	240
Boston & Maine	5,696	8,611	7,106	12,993	11,696
Chicago, Indianapolis & Louisville	1,359	1,467	1,288	1,788	2,056
Central Indiana	21	49	15	55	66
Central Vermont	911	1,489	1,250	2,413	2,427
Delaware & Hudson	6,259	7,053	5,712	10,152	9,433
Delaware, Lackawanna & Western	7,492	9,830	9,128	9,155	7,819
Detroit & Mackinac	227	419	454	134	73
Detroit, Toledo & Ironton	1,641	2,745	1,746	1,101	1,227
Detroit & Toledo Shore Line	259	379	250	2,437	2,659
Erie	12,844	14,974	13,244	14,977	12,935
Grand Trunk Western	3,286	6,063	3,678	7,763	7,408
Lehigh & Hudson River	168	194	171	2,937	1,869
Lehigh & New England	2,164	2,403	2,086	1,895	1,700
Lehigh Valley	9,081	9,589	9,594	11,585	8,317
Maine Central	2,135	3,253	2,769	2,277	2,379
Monongahela	6,253	5,719	5,036	364	413
Montour	2,396	2,340	2,073	28	51
New York Central Lines	46,361	51,555	41,675	50,350	39,803
N. Y., N. H. & Hartford	9,997	11,664	9,108	17,963	14,502
New York, Ontario & Western	969	1,068	1,198	2,577	1,891
New York, Chicago & St. Louis	7,243	6,974	5,564	15,758	11,530
N. Y., Susquehanna & Western	421	425	391	1,293	1,129
Pittsburgh & Lake Erie	7,684	8,394	6,948	8,458	7,694
Pere Marquette	5,175	6,849	4,827	5,582	5,485
Pittsburgh & Shawmut	662	651	991	34	51
Pittsburgh, Shawmut & North	365	434	352	221	384
Pittsburgh & West Virginia	1,128	1,131	786	3,221	2,597
Rutland	372	564	743	1,086	1,024
Wabash	5,704	6,886	6,506	11,736	10,219
Wheeling & Lake Erie	5,644	5,790	4,617	4,731	3,561
Total	155,367	180,548	151,081	206,409	173,970
Allegheny District—					
Akron, Canton & Youngstown	616	792	449	1,013	811
Baltimore & Ohio	43,216	40,776	33,123	26,015	18,709
Bessemer & Lake Erie	6,261	7,422	5,907	2,256	2,130
Buffalo Creek & Gauley	311	226	317	2	1
Cambria & Indiana	2,006	1,994	1,206	5	24
Central R. R. of New Jersey	7,168	8,108	7,331	17,977	13,099
Cornwall	627	712	589	50	47
Cumberland & Pennsylvania	278	277	238	13	37
Ligonier Valley	139	140	74	44	36
Long Island	819	688	650	3,274	2,254
Penn-Reading Seashore Lines	1,508	1,559	1,117	2,367	1,570
Pennsylvania System	81,850	86,308	69,101	58,427	47,348
Reading Co.	14,088	16,173	14,563	26,445	18,889
Union (Pittsburgh)	21,362	20,195	18,720	7,139	6,569
Western Maryland	4,099	3,805	3,347	10,902	7,022
Total	184,348	189,175	156,732	155,929	118,546
Pocahontas District—					
Chesapeake & Ohio	27,168	27,573	25,256	10,928	10,082
Norfolk & Western	22,448	23,053	21,342	6,196	6,015
Virginian	4,603	4,868	4,163	1,826	1,761
Total	54,219	55,494	50,761	18,950	17,858
Southern District—					
Alabama, Tennessee & Northern	380	366	171	359	206
Atl. & W. P.—W. R. R. of Ala.	692	803	616	3,033	1,500
Atlanta, Birmingham & Coast	949	1,043	925	972	950
Atlantic Coast Line	9,842	9,197	7,588	8,132	6,156
Central of Georgia	4,421	4,567	4,038	3,726	3,524
Charleston & Western Carolina	454	701	641	1,327	1,361
Clinchfield	1,548	1,662	1,328	2,378	2,192
Columbus & Greenville	340	327	138	252	271
Durham & Southern	126	181	157	809	313
Florida East Coast	924	421	340	923	739
Gainesville Midland	34	36	21	199	65
Georgia	1,490	1,149	840	2,565	1,836
Georgia & Florida	409	414	351	389	483
Gulf, Mobile & Ohio	4,246	3,748	2,700	4,198	2,646
Illinois Central System	26,212	24,919	18,646	16,010	12,366
Louisville & Nashville	23,347	23,400	21,719	9,550	6,794
Macon, Dublin & Savannah	174	207	103	736	646
Mississippi Central	170	190	105	613	360
Nashville, Chattanooga & St. L.	3,344	3,382	2,574	4,132	2,815
Norfolk Southern	1,521	1,620	1,681	1,994	913
Piedmont Northern	299	423	347	1,134	1,392
Richmond, Fred. & Potomac	644	424	386	8,499	5,810
Seaboard Air Line	9,739	9,452	8,031	8,731	4,991
Southern System	23,203	24,253	19,993	21,737	16,814
Tennessee Central	516	561	420	879	662
Winston-Salem Southbound	79	114	121	865	741
Total	115,103	113,566	93,980	104,142	76,546
Northwestern District—					
Chicago & North Western	22,995	22,238	20,291	12,970	11,660
Chicago Great Western	2,020	2,761	2,417	2,968	2,771
Chicago, Milw., St. P. & Pac.	19,344	23,611	18,837	9,195	8,920
Chicago, St. Paul, Minn. & Omaha	3,109	4,132	3,599	3,287	4,256
Duluth, Missabe & Iron Range	30,798	25,893	19,209	406	269
Duluth, South Shore & Atlantic	1,337	1,207	1,314	635	466
Elgin, Joliet & Eastern	10,035	10,899	9,055	9,182	7,110
Ft. Dodge, Des Moines & South	575	535	526	111	139
Great Northern	29,411	26,867	22,687	5,712	3,908
Green Bay & Western	450	631	504	721	648
Lake Superior & Ishpeming	2,859	3,087	4,229	48	83
Minneapolis & St. Louis	2,042	2,242	1,752	2,402	1,961
Minn., St. Paul & S. S. M.	8,156	8,275	7,377	3,547	2,920
Northern Pacific	11,207	11,278	8,254	5,568	4,280
Spokane International	220	358	292	597	411
Spokane, Portland & Seattle	2,618	2,787	1,522	3,133	1,972
Total	147,176	146,801	121,865	60,482	51,774
Central Western District—					
Atch., Top. & Santa Fe System	28,072	28,885	24,743	10,476	7,000
Alton	3,096	3,856	3,614	3,931	2,518
Bingham & Garfield	673	750	481	125	69
Chicago, Burlington & Quincy	17,517	18,844	16,856	11,767	8,558
Chicago & Illinois Midland	2,426	2,193	2,007	767	744
Chicago, Rock Island & Pacific	14,773	15,020	14,212	12,442	9,628
Chicago & Eastern Illinois	2,277	2,855	2,422	3,704	2,566
Colorado & Southern	713	752	609	1,650	1,382
Denver & Rio Grande Western	3,306	2,680	2,183	5,000	3,224
Denver & Salt Lake	641	585	256	25	36
Fort Worth & Denver City	1,247	1,430	1,369	1,322	1,003
Illinois Terminal	1,601	2,073	1,689	1,954	1,719
Missouri-Illinois	1,330	1,144	992	522	520
Nevada Northern	1,973	2,038	1,377	120	123
North Western Pacific	1,039	876	794	577	478
Peoria & Pekin Union	15	50	31	0	0
Southern Pacific (Pacific)	30,502	31,157	23,325	9,276	6,440
Toledo, Peoria & Western	300	345	333	1,295	1,325
Union Pacific System	14,754	16,773	14,022	12,040	9,001
Utah	557	241	210	1	4
Western Pacific	2,378	1,626	1,628	3,686	2,266
Total	129,190	134,173	113,153	80,680	58,607
Southwestern District—					
Burlington-Rock Island	168	197	123	224	214
Gulf Coast Lines	3,659	2,653	2,203	1,915	1,740
International-Great Northern	2,526	1,939	1,687	2,572	2,037
Kansas, Oklahoma & Gulf	323	196	212	1,100	799
Kansas City Southern	5,202	2,492	1,924	2,556	2,405
Louisiana & Arkansas	4,330	1,937	1,729	2,398	1,641
Litchfield & Madison	288	352	248	1,156	937
Midland Valley	621	506	564	179	274
Missouri & Arkansas	183	179	166	351	338
Missouri-Kansas-Texas Lines	5,254	5,009	4,939	4,407	3,364
Missouri Pacific	18,633	18,436	16,096	19,257	9,971
Quanah Acme & Pacific	63	163	101	191	146
St. Louis-San Francisco	9,053	8,712	7,218	7,673	4,937
St. Louis Southwestern	2,676	2,412	2,186	7,099	3,091
Texas & New Orleans	11,431	7,150	5,808	4,661	3,579
Texas & Pacific	5,162	3,860	3,849	8,367	4,195
Wichita Falls & Southern	120	177	143	30	56
Weatherford M. W. & N. W.	*29	15	15	*21	59
Total	69,721	56,385	49,211	64,157	39,783

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1942—Week Ended—					
Apr. 4	161,888	169,249	436,029	100	101
Apr. 11	145,000	153,269	428,322	93	101
Apr. 18	129,834	153,442	404,199	94	101
Apr. 25	139,026	156,201	388,320	93	100
May 2	135,273	152,569	371,365	90	99
May 9	130,510	143,427	360,221	86	99
May 16	119,142	141,745	336,530	82	98
May 23	120,224	140,650	316,443	81	97
May 30	113,059	132,901	288,516	77	96
June 6	110,226	120,374	283,390	69	95
June 13	115,300	125,016	274,512	72	94
June 20	98,766	117,924	248,594	69	93
June 27	104,178	120,359	231,368	72	92
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

Birth Certificates No Longer Required To Prove Citizenship For War Jobs

Birth certificates to prove American citizenship for persons who want jobs in plants where work on secret or confidential Government contracts is being done will no longer be required, Paul V. McNutt, War Manpower Chairman, announced on July 6. The announcement points out that Mr. McNutt indicates that a new procedure developed jointly by the Army and Navy, the War Manpower Commission, and the U. S. Employment Service, calls for merely a simple declaration that the applicant for a job is a citizen. This declaration, however, must be signed by the worker in the presence of an Army or Navy District Procurement Factory or Plant Protection representative. War and Navy contractors and sub-contractors have been notified of the new procedure, and the U. S. employment offices have been instructed to assist employers and workers in carrying it out. Mr. McNutt further says:

"Information from the United States employment offices throughout the country indicated that many valuable man-hours of production were being lost because of difficulties and delays in obtaining birth certificates. State Bureaus of Vital Statistics have been unable to keep up with the mounting number of requests, with the result, he added, that work on many urgent war contracts has been delayed.

"In many States and localities birth registration was not required until recent years. In others the records have been destroyed or lost. The result has been that many men and women whose families have been in this country for generations have been unable to obtain evidence of their birth. To relieve the situation, United States Census Bureau records have been accepted in lieu of birth certificates. However, the Bureau of the Census which, prior to January, 1940, used to get 2,000 to 3,000 requests a week, has been swamped in recent months by 16,000 and 17,000 requests a week.

"In order to break this log jam, the War and Navy Departments have recommended that contractors and sub-contractors require any worker who is to be employed on any secret, confidential, or restricted contract to sign a statement to the effect that he is a citizen of the United States and that he has read and understands the penalties for misrepresenting his status. Such a declaration, signed in the presence of an Army or Navy representative, will meet the immediate requirements of the War and Navy Departments, pending further investigation."

Mr. McNutt made it clear that this new procedure does not relieve the employer from the duty of making further investigation when there is any reason to doubt the truth of the applicant's declaration that he is a citizen. On the other hand, workers signing such a declaration will be informed that the penalty for misrepresentation may be as much as $10,000 fine, or five years in prison, or both.

Chicago Home Loan Bank Advances Up In June

June advances by the Federal Home Loan Bank of Chicago were double those of May to the Illinois and Wisconsin savings, building and loan associations, A. R. Gardner, President, reported on July 13. It was the largest disbursement for any month so far in 1942, he indicated, but stated that it was little more than half of the amount advanced in June, 1941. Meanwhile, June repayments ($1,814,911) to the bank were larger than in May or in last June, in line with the war economy aim of discouraging unnecessary expansion of credit.

Daily Average Crude Oil Production For Week Ended July 11, 1942, Increased 360,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 11, 1942 was 3,657,400 barrels, an increase of 360,250 barrels over the preceding week. It was, however, 213,350 barrels per day less than the output during the week ended July 12, last year, and 185,400 barrels below the daily average for the month of July, 1942, as recommended by the Office of Petroleum Coordinator. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.9% of the 4,684,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,582,000 barrels of crude oil daily during the week ended July 11, 1942, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of that week, 85,658,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,675,000 barrels during the week ended July 11, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations July	*State Allowables Beginning July 1	—Actual Production— Week Ended July 11 1942	Change From Previous Week	4 Weeks Ended July 11 1942	Week Ended July 12 1941
Oklahoma	433,000	433,000	†372,000	— 4,050	373,750	412,950
Kansas	283,200	283,200	†271,150	+ 11,050	270,800	233,800
Nebraska	4,100	------	†3,600	— 150	3,700	5,050
Panhandle Texas			80,400	+ 900	88,850	84,050
North Texas			142,800	+ 250	144,700	133,500
West Texas			207,200	+ 68,650	196,250	265,200
East Central Texas			85,300	+ 11,000	86,900	84,300
East Texas			290,100	+ 72,500	291,350	372,950
Southwest Texas			146,850	+ 48,400	138,150	212,000
Coastal Texas			251,300	+ 79,450	236,750	285,000
Total Texas	1,214,400	‡1,284,711	1,203,950	+281,150	1,182,950	1,437,000
North Louisiana			93,350	+ 2,000	90,950	74,200
Coastal Louisiana			221,950	+ 3,700	219,900	239,900
Total Louisiana	319,600	337,600	315,300	+ 5,700	310,850	314,100
Arkansas	78,500	70,823	70,950	— 3,150	73,150	72,350
Mississippi	49,900		†83,850	— 100	82,800	42,200
Illinois	304,100		283,950	+ 5,650	279,200	341,650
Indiana	22,000		†19,000	+ 250	19,200	22,450
Eastern (not incl. Ill. and Ind.)	112,600		95,500	— 4,200	97,900	89,900
Michigan	64,800		67,900	+ 800	66,450	39,650
Wyoming	96,800		91,900	— 350	91,800	85,500
Montana	23,100		21,400	— 500	21,850	19,400
Colorado	7,700		6,400	+ 50	6,600	3,800
New Mexico	89,500	89,500	65,150	------	65,100	111,350
Total East of Calif.	3,103,300		2,972,000	+292,150	2,946,100	3,231,150
California	739,500	§739,500	685,400	+ 68,100	652,600	639,600
Total United States	3,842,800		3,657,400	+360,250	3,598,700	3,870,750

*O. P. C. recommendations and State allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual State production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline in April, 1942, as follows: Oklahoma, 27,500; Kansas, 4,800; Texas, 90,700; Louisiana, 15,300; Arkansas, 2,600; New Mexico, 5,300; California, 40,100; other States, 22,200.

†Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a.m. July 8.

‡This is the net basic 31-day allowable as of July 1. In the area outside East Texas shutdowns were ordered for July 4, 5, 11, 12, 18, 19, 25, 26, 29, 30 and 31; in East Texas for July 6, 13, and 20, in addition to the aforementioned days.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED JULY 11, 1942

(Figures in Thousands of Barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,563	65.6	4,579	40,642	16,052	17,073
Appalachian	174	84.5	160	92.0	449	2,741	567	528
Ind., Ill., Ky.	784	84.9	762	97.2	2,519	16,131	4,041	3,447
Okla., Kansas, Mo.	418	81.1	385	92.1	1,253	7,645	1,375	1,470
Rocky Mountain	138	50.7	100	72.5	303	2,307	365	555
California	787	90.9	612	77.8	1,572	16,192	12,018	54,818
Tot. U. S. B. of M. basis July 11, 1942	4,684	86.9	3,582	76.5	10,675	†85,658	34,418	77,891
Tot. U. S. B. of M. basis July 4, 1942	4,684	86.9	3,551	75.8	10,959	87,014	33,520	76,903
U. S. Bur. of Mines basis July 12, 1941			4,103		13,808	87,922	39,849	90,914

*At the request of the Office of the Petroleum Coordinator.

†Finished 78,037,000 bbls.; unfinished 7,621,000 bbls. ‡At refineries, at bulk terminals, in transit, and in pipe lines.

Wholesale Commodity Prices Continue Steady In July 11 Week, Labor Bureau Reports

Continuing the steadiness which has characterized commodity markets since the imposition of the General Maximum Price Regulation, the Bureau of Labor Statistics' index of prices of nearly 900 price series in primary markets remained unchanged at 98.5% of the 1926 average during the week ended July 11. Prices for important agricultural commodities, including grains, hogs, cotton, fresh milk at New York and for peanuts and sweet potatoes advanced during the week while prices for certain industrial commodities, particularly rosin, turpentine, Douglas fir timbers, and boxboard, declined. In the past month the general level has risen only 0.1%. It is now approximately 12% higher than a year ago at this time.

Average market prices for farm products advanced 0.6% during the week while foods dropped 0.6%. Textile products declined 0.5%; building materials, 0.3%, and miscellaneous commodities, 0.1%.

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes, however, must be considered as preliminary and subject to such adjustment and revision as required by late and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for June 13, 1942, and July 12, 1941, and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity Groups—	7-11 1942	7-4 1942	6-27 1942	6-13 1942	7-12 1941	Percentage changes to July 11, 1942 from— 7-4 1942	6-13 1942	7-12 1941
All Commodities	*98.5	*98.5	*98.4	*98.4	88.1	0	+0.1	+11.8
Farm products	105.5	104.9	104.6	104.3	85.0	+0.6	+1.2	+24.1
Foods	98.7	99.3	99.3	99.5	84.1	—0.6	—0.8	+17.4
Hides and leather products	118.9	118.9	118.9	118.9	109.3	0	0	+ 8.8
Textile products	96.8	97.3	97.3	97.2	84.3	—0.5	—0.4	+14.8
Fuel and lighting materials	79.5	79.5	79.2	78.9	79.1	0	+0.8	+ 0.5
Metals and metal products	*104.0	*104.0	*104.0	*104.0	98.6	0	0	+ 5.5
Building materials	110.3	110.6	110.0	109.9	102.4	—0.3	+0.4	+ 7.7
Chemicals and allied products	97.2	97.2	97.2	97.2	85.1	0	0	+14.2
Housefurnishing goods	104.5	104.5	104.5	104.5	95.3	0	0	+ 9.7
Miscellaneous commodities	90.0	90.1	90.0	89.9	81.3	—0.1	+0.1	+10.7
Raw materials	99.8	99.9	99.6	99.6	85.1	—0.1	+0.2	+17.3
Semimanufactured articles	92.8	92.8	92.8	92.8	87.3	0	0	+ 6.3
Manufactured products	*98.9	*98.9	*98.8	*98.8	89.9	0	+0.1	+10.0
All commodities other than farm products	*97.0	*97.2	*97.1	*97.1	88.8	—0.2	—0.1	+ 9.2
All commodities other than farm products and foods	*96.0	*96.1	*96.0	*95.9	89.5	—0.1	+0.1	+ 7.3

*Preliminary.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report states that the total production of soft coal in the week ended July 11 is estimated at 10,760,000 net tons. This is an increase over the preceding week when output was curtailed by the Miners' holiday and the observance of Independence Day. The current figure, however, falls short of the pre-holiday level, but was an increase of 1,092,000 tons over the corresponding week of last year.

Production of Pennsylvania anthracite, according to the U. S. Bureau of Mines, for the week ended July 11, 1942, was estimated at 1,193,000 tons, an increase of 252,000 tons, or 26.8% over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 29,000 tons (2.5%). The calendar year to date shows a gain of 10.9% when compared with the same period last year.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended July 11 showed an increase of 20,900 tons when compared with the output for the week ended July 4. The quantity of coke from beehive ovens increased 28,500 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (000 OMITTED)

Bituminous and lignite coal—	—Week Ended— July 11, 1942	July 4, 1942	July 12, 1941	—January 1 to Date— †July 11, 1942	July 12, 1941	July 10, 1937
Total, incl. mine fuel	10,760	8,135	9,668	300,658	243,111	234,200
Daily average	1,793	2,034	1,934	1,873	1,521	1,460
*Crude petroleum— Coal equivalent of weekly output	5,859	5,281	6,200	165,898	162,951	148,976

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702). †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn anthracite—	—Week Ended— §July 11, 1942	July 4, 1942	July 12, 1941	—Calendar Year to Date— §July 11, 1942	July 12, 1941	July 13, 1929
*Total, incl. colliery fuel	1,193,000	941,000	1,164,000	31,190,000	28,129,000	37,313,000
†Commercial production	1,133,000	894,000	1,106,000	29,630,000	26,723,000	34,626,000
Beehive coke— United States total	154,800	126,300	136,000	4,165,300	3,182,700	3,129,700
By-product coke— United States total	1,168,600	1,189,500	‡	32,218,400	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	—Week Ended— July 4, 1942	June 27, 1942	July 5, 1941	July 6, 1940	July 3, 1937	July avge. ¶1923
Alaska	5	4	4	2	4	**
Alabama	288	393	223	270	255	389
Arkansas and Oklahoma	66	78	13	22	20	74
Colorado	96	138	69	56	77	165
Georgia and North Carolina	1	1	††	††	††	**
Illinois	1,048	1,212	726	676	692	1,268
Indiana	283	402	263	246	238	451
Iowa	42	47	33	42	20	87
Kansas and Missouri	124	142	86	72	85	134
Kentucky—Eastern	508	973	587	682	685	735
Kentucky—Western	190	241	151	112	128	202
Maryland	32	42	24	18	26	42
Michigan	5	5	1	††	††	17
Montana (bituminous and lignite)	56	61	41	42	40	41
New Mexico	27	29	17	21	32	52
North and South Dakota (lignite)	23	27	19	18	14	**14
Ohio	574	754	356	388	393	854
Pennsylvania (bituminous)	2,160	2,850	1,833	1,879	2,003	3,680
Tennessee	115	154	99	89	103	113
Texas (bituminous and lignite)	6	5	7	10	19	23
Utah	85	113	38	29	45	87
Virginia	267	408	271	269	257	239
Washington	42	44	25	21	35	37
*West Virginia—Southern	1,286	2,302	1,379	1,696	1,653	1,519
†West Virginia—Northern	696	889	473	538	480	866
Wyoming	110	108	84	79	71	115
‡Other Western States	††	††	††	††	††	**4
Total bituminous and lignite	8,135	11,425	6,822	7,277	7,375	11,208
§Pennsylvania anthracite	941	1,238	64	696	989	1,950
Total, all coal	9,076	12,663	6,886	7,973	8,364	13,158

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Lumber Movement—Week Ended July 11, 1942

Lumber production during the week ended July 11, 1942, was 10% greater than the previous week (including July 4 holiday), shipments were 6% greater, new business 17% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 14% above production; new orders 28% above production. Compared with the corresponding week of 1941, production was 9% less, shipments, 5% greater, and new business 1% greater. The industry stood at 126% of the average of production in the corresponding week of 1935-39 and 156% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 27 weeks of 1942 was 2% below corresponding weeks of 1941; shipments were 7% above the shipments, and new orders 8% above the orders of the 1941 period. For the 27 weeks of 1942, new business was 25% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 70% on July 11, 1942, compared with 46% a year ago. Unfilled orders were 15% greater than a year ago; gross stocks were 25% less.

Softwoods and Hardwoods

Record for the current week ended July 11, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	448	448	456
Production	245,247	268,820	222,009
Shipments	280,603	266,123	264,786
Orders	314,802	313,134	268,788

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	366		96	
Production	234,280—	100%	10,967—	100%
Shipments	266,173	114	14,430	132
Orders	302,327	129	12,475	114

FHLB Dividends Higher

Dividend payments by 11 of the regional Federal Home Loan Banks for the first half of 1942 amounted to $1,003,201, as compared with $866,000 for the similar period in 1941, James Twohy, Governor of the Federal Home Loan Bank System, announced on July 18. The twelfth bank declares its dividends on Dec. 31 for the full year. Of the 1942 earnings, it is indicated, $706,311 went to the Reconstruction Finance Corporation—now owner of the Government's stock in the 12 banks—and $296,890 to the member savings and loan associations, cooperative banks, mutual savings banks and insurance companies, in proportion to their ownership of the banks' capital stock. The System's announcement further said:

"Since they were founded nearly ten years ago, the regional banks of the System have paid their members $4,225,198 and the Government $14,187,493 in dividends, to a total of $18,412,691. The Federal Home Loan Bank System provides a credit reservoir for some 3,815 thrift and home-financing institutions.

"Outstanding advances of the 12 regional banks to their members on June 30 stood at $192,645,000, as compared with $169,897,000 June 30, 1941. Cumulative advances total $977,884,000. Of this amount, $785,239,000 has been repaid.

"Assets of the banks now amount to $309,976,000, a gain of 6.3% in the past year. Reserves and undivided profits of $14,106,000 compare with $12,034,000 reported on June 30, 1941."

Revenue Freight Car Loadings During Week Ended July 11, 1942, Totaled 855,124 Cars

Loading of revenue freight for the week ended July 11 totaled 855,124 cars, the Association of American Railroads announced on July 16. This was a decrease below the corresponding week in 1941 of 21,018 cars or 2.4%, but an increase above the same week of 1940 of 118,341 cars or 16.1%.

Loading of revenue freight for the week of July 11 increased 101,269 cars or 13.4% above the preceding week, which included a holiday.

Miscellaneous freight loading totaled 384,237 cars, an increase of 27,571 cars above the preceding week, and an increase of 21,571 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 88,795 cars, an increase of 6,759 cars above the preceding week, but a decrease of 65,338 cars below the corresponding week in 1941.

Coal loading amounted to 158,821 cars, an increase of 38,471 cars above the preceding week, and an increase of 11,357 cars above the corresponding week in 1941.

Grain and grain products loading totaled 53,509 cars, an increase of 11,169 cars above the preceding week, but a decrease of 9,186 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of July 11 totaled 39,027 cars, an increase of 8,781 cars above the preceding week, but a decrease of 5,151 cars below the corresponding week in 1941.

Live stock loading amounted to 10,348 cars, an increase of 840 cars above the preceding week, and an increase of 171 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of July 11 totaled 7,223 cars, an increase of 426 cars above the preceding week, and an increase of 1[illegible]7 cars above the corresponding week in 1941.

Forest products loading totaled 51,033 cars, an increase of 6,602 cars above the preceding week, and an increase of 6,778 cars above the corresponding week in 1941.

Ore loading amounted to 94,037 cars, an increase of 8,091 cars above the preceding week, and an increase of 12,862 cars above the corresponding week in 1941.

Coke loading amounted to 14,344 cars, an increase of 1,766 cars above the preceding week, and an increase of 767 cars above the corresponding week in 1941.

All districts reported decreases, compared with the corresponding week in 1941, except the Southern, Northwestern and Southwestern but all districts reported increases over 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Week of July 4	753,855	740,359	637,169
Week of July 11	855,124	876,142	736,783
Total	22,668,984	21,467,233	18,288,487

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 11, 1942. During this period only 47 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JULY 11

Railroads	Total Revenue Freight Loaded 1942	1941	1940	Total Loads Received from Connections 1942	1941
Eastern District—					
Ann Arbor	378	601	542	1,145	1,332
Bangor & Aroostook	1,072	985	1,233	200	240
Boston & Maine	5,696	8,611	7,106	12,993	11,696
Chicago, Indianapolis & Louisville	1,359	1,467	1,288	1,788	2,056
Central Indiana	21	49	15	55	66
Central Vermont	911	1,489	1,250	2,413	2,427
Delaware & Hudson	6,259	7,053	5,712	10,152	9,433
Delaware, Lackawanna & Western	7,492	9,830	9,128	9,155	7,819
Detroit & Mackinac	227	419	454	134	73
Detroit, Toledo & Ironton	1,641	2,745	1,746	1,101	1,227
Detroit & Toledo Shore Line	259	379	250	2,437	2,659
Erie	12,844	14,974	13,244	14,977	12,935
Grand Trunk Western	3,286	6,063	3,678	7,763	7,408
Lehigh & Hudson River	168	194	171	2,937	1,869
Lehigh & New England	2,164	2,403	2,086	1,895	1,700
Lehigh Valley	9,081	9,589	9,594	11,585	8,317
Maine Central	2,135	3,253	2,769	2,277	2,379
Monongahela	6,253	5,719	5,036	364	413
Montour	2,396	2,340	2,073	28	51
New York Central Lines	46,361	51,555	41,675	50,350	39,803
N. Y., N. H. & Hartford	9,997	11,664	9,108	17,963	14,502
New York, Ontario & Western	969	1,068	1,198	2,577	1,891
New York, Chicago & St. Louis	7,243	6,974	5,564	15,758	11,530
N. Y., Susquehanna & Western	421	425	391	1,293	1,129
Pittsburgh & Lake Erie	7,684	8,394	6,948	8,458	7,694
Pere Marquette	5,175	6,849	4,827	5,582	5,485
Pittsburgh & Shawmut	662	651	991	34	51
Pittsburgh, Shawmut & North	365	434	352	221	384
Pittsburgh & West Virginia	1,128	1,131	786	3,221	2,597
Rutland	372	564	743	1,086	1,024
Wabash	5,704	6,886	6,506	11,736	10,219
Wheeling & Lake Erie	5,644	5,790	4,617	4,731	3,561
Total	155,367	180,548	151,081	206,409	173,970
Allegheny District—					
Akron, Canton & Youngstown	616	792	449	1,013	811
Baltimore & Ohio	43,216	40,776	33,123	26,015	18,709
Bessemer & Lake Erie	6,261	7,422	5,907	2,256	2,130
Buffalo Creek & Gauley	311	226	317	2	1
Cambria & Indiana	2,006	1,994	1,206	5	24
Central R. R. of New Jersey	7,168	8,108	7,331	17,977	13,099
Cornwall	627	712	589	50	47
Cumberland & Pennsylvania	278	277	238	13	37
Ligonier Valley	139	140	74	44	36
Long Island	819	688	650	3,274	2,254
Penn-Reading Seashore Lines	1,508	1,559	1,117	2,367	1,570
Pennsylvania System	81,850	86,308	69,101	58,427	47,348
Reading Co.	14,088	16,173	14,563	26,445	18,889
Union (Pittsburgh)	21,362	20,195	18,720	7,139	6,569
Western Maryland	4,099	3,805	3,347	10,902	7,022
Total	184,348	189,175	156,732	155,929	118,546
Pocahontas District—					
Chesapeake & Ohio	27,168	27,573	25,256	10,928	10,082
Norfolk & Western	22,448	23,053	21,342	6,196	6,015
Virginian	4,603	4,868	4,163	1,826	1,761
Total	54,219	55,494	50,761	18,950	17,858
Southern District—					
Alabama, Tennessee & Northern	380	366	171	359	206
Atl. & W. P.—W. R. R. of Ala.	692	803	616	3,033	1,500
Atlanta, Birmingham & Coast	949	1,049	925	972	950
Atlantic Coast Line	9,842	9,197	7,588	8,132	6,156
Central of Georgia	4,421	4,567	4,038	3,726	3,524
Charleston & Western Carolina	454	701	641	1,327	1,361
Clinchfield	1,548	1,662	1,328	2,378	2,192
Columbus & Greenville	340	327	138	252	271
Durham & Southern	126	181	157	809	313
Florida East Coast	924	421	340	923	739
Gainesville Midland	34	36	21	199	65
Georgia	1,490	1,149	840	2,565	1,836
Georgia & Florida	409	414	351	389	483
Gulf, Mobile & Ohio	4,246	3,748	2,700	4,198	2,646
Illinois Central System	26,212	24,919	18,646	16,010	12,366
Louisville & Nashville	23,347	23,400	21,719	9,550	6,794
Macon, Dublin & Savannah	174	207	103	736	646
Mississippi Central	170	190	105	613	360
Nashville, Chattanooga & St. L.	3,344	3,382	2,574	4,132	2,815
Norfolk Southern	1,521	1,620	1,681	1,994	913
Piedmont Northern	299	423	347	1,134	1,392
Richmond, Fred. & Potomac	644	424	386	8,499	5,810
Seaboard Air Line	9,739	9,452	8,031	8,731	4,991
Southern System	23,203	24,253	19,993	21,737	16,814
Tennessee Central	516	561	420	879	662
Winston-Salem Southbound	79	114	121	865	741
Total	115,103	113,566	93,980	104,142	76,546
Northwestern District—					
Chicago & North Western	22,995	22,238	20,291	12,970	11,660
Chicago Great Western	2,020	2,761	2,417	2,968	2,771
Chicago, Milw., St. P. & Pac.	19,344	23,611	18,837	9,195	8,920
Chicago, St. Paul, Minn. & Omaha	3,109	4,132	3,599	3,287	4,256
Duluth, Missabe & Iron Range	30,798	25,893	19,209	406	269
Duluth, South Shore & Atlantic	1,337	1,207	1,314	635	466
Elgin, Joliet & Eastern	10,035	10,899	9,055	9,182	7,110
Ft. Dodge, Des Moines & South	575	535	526	111	139
Great Northern	29,411	26,867	22,687	5,712	3,908
Green Bay & Western	450	631	504	721	648
Lake Superior & Ishpeming	2,859	3,087	4,229	48	83
Minneapolis & St. Louis	2,042	2,242	1,752	2,402	1,961
Minn., St. Paul & S. S. M.	8,156	8,275	7,377	3,547	2,920
Northern Pacific	11,207	11,278	8,254	5,568	4,280
Spokane International	220	358	292	597	411
Spokane, Portland & Seattle	2,618	2,787	1,522	3,133	1,972
Total	147,176	146,801	121,865	60,482	51,774
Central Western District—					
Atch., Top. & Santa Fe System	28,072	28,885	24,743	10,476	7,000
Alton	3,096	3,856	3,614	3,931	2,518
Bingham & Garfield	673	750	481	125	69
Chicago, Burlington & Quincy	17,517	18,844	16,856	11,767	8,558
Chicago & Illinois Midland	2,426	2,193	2,007	767	744
Chicago, Rock Island & Pacific	14,773	15,020	14,212	12,442	9,628
Chicago & Eastern Illinois	2,277	2,855	2,422	3,704	2,566
Colorado & Southern	713	752	609	1,650	1,382
Denver & Rio Grande Western	3,306	2,680	2,183	5,000	3,224
Denver & Salt Lake	641	585	256	25	36
Fort Worth & Denver City	1,247	1,430	1,369	1,322	1,003
Illinois Terminal	1,601	2,073	1,689	1,954	1,719
Missouri-Illinois	1,330	1,144	992	522	520
Nevada Northern	1,973	2,038	1,377	120	123
North Western Pacific	1,039	876	794	577	478
Peoria & Pekin Union	15	50	31	0	0
Southern Pacific (Pacific)	30,502	31,157	23,325	9,276	6,440
Toledo, Peoria & Western	300	345	333	1,295	1,325
Union Pacific System	14,754	16,773	14,022	12,040	9,001
Utah	557	241	210	1	4
Western Pacific	2,378	1,626	1,628	3,686	2,266
Total	129,190	134,173	113,153	80,680	58,607
Southwestern District—					
Burlington-Rock Island	168	197	123	224	214
Gulf Coast Lines	3,659	2,653	2,203	1,915	1,740
International-Great Northern	2,526	1,939	1,687	2,572	2,037
Kansas, Oklahoma & Gulf	323	196	212	1,100	799
Kansas City Southern	5,202	2,492	1,924	2,556	2,405
Louisiana & Arkansas	4,330	1,937	1,729	2,398	1,641
Litchfield & Madison	288	352	248	1,156	937
Midland Valley	621	506	564	179	274
Missouri & Arkansas	183	179	166	351	338
Missouri-Kansas-Texas Lines	5,254	5,009	4,939	4,407	3,364
Missouri Pacific	18,633	18,436	16,096	19,257	9,971
Quanah Acme & Pacific	63	163	101	191	146
St. Louis-San Francisco	9,053	8,712	7,218	7,673	4,937
St. Louis Southwestern	2,676	2,412	2,186	7,099	3,091
Texas & New Orleans	11,431	7,150	5,808	4,661	3,579
Texas & Pacific	5,162	3,860	3,849	8,367	4,195
Wichita Falls & Southern	120	177	143	30	56
Weatherford M. W. & N. W.	*29	15	15	*21	59
Total	69,721	56,385	49,211	64,157	39,783

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity* *Current*	*Cumulative*
1942—Week Ended—					
Apr. 4	161,888	169,249	436,029	100	101
Apr. 11	145,000	153,269	428,322	93	101
Apr. 18	129,834	153,442	404,199	94	101
Apr. 25	139,026	156,201	388,320	93	100
May 2	135,273	152,569	371,365	90	99
May 9	130,510	143,427	360,221	86	99
May 16	119,142	141,745	336,530	82	98
May 23	120,224	140,650	316,443	81	97
May 30	113,059	132,901	288,516	77	96
June 6	110,226	120,374	283,390	69	95
June 13	115,300	125,016	274,512	72	94
June 20	98,766	117,924	248,594	69	93
June 27	104,178	120,359	231,368	72	92
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

Birth Certificates No Longer Required To Prove Citizenship For War Jobs

Birth certificates to prove American citizenship for persons who want jobs in plants where work on secret or confidential Government contracts is being done will no longer be required, Paul V. McNutt, War Manpower Chairman, announced on July 6. The announcement points out that Mr. McNutt indicates that a new procedure developed jointly by the Army and Navy, the War Manpower Commission, and the U. S. Employment Service, calls for merely a simple declaration that the applicant for a job is a citizen. This declaration, however, must be signed by the worker in the presence of an Army or Navy District Procurement Factory or Plant Protection representative. War and Navy contractors and sub-contractors have been notified of the new procedure, and the U. S. employment offices have been instructed to assist employers and workers in carrying it out. Mr. McNutt further says:

"Information from the United States employment offices throughout the country indicated that many valuable man-hours of production were being lost because of difficulties and delays in obtaining birth certificates. State Bureaus of Vital Statistics have been unable to keep up with the mounting number of requests, with the result, he added, that work on many urgent war contracts has been delayed.

"In many States and localities birth registration was not required until recent years. In others the records have been destroyed or lost. The result has been that many men and women whose families have been in this country for generations have been unable to obtain evidence of their birth. To relieve the situation, United States Census Bureau records have been accepted in lieu of birth certificates. However, the Bureau of the Census which, prior to January, 1940, used to get 2,000 to 3,000 requests a week, has been swamped in recent months by 16,000 and 17,000 requests a week.

"In order to break this log jam, the War and Navy Departments have recommended that contractors and sub-contractors require any worker who is to be employed on any secret, confidential, or restricted contract to sign a statement to the effect that he is a citizen of the United States and that he has read and understands the penalties for misrepresenting his status. Such a declaration, signed in the presence of an Army or Navy representative, will meet the immediate requirements of the War and Navy Departments, pending further investigation."

Mr. McNutt made it clear that this new procedure does not relieve the employer from the duty of making further investigation when there is any reason to doubt the truth of the applicant's declaration that he is a citizen. On the other hand, workers signing such a declaration will be informed that the penalty for misrepresentation may be as much as $10,000 fine, or five years in prison, or both.

Chicago Home Loan Bank Advances Up In June

June advances by the Federal Home Loan Bank of Chicago were double those of May to the Illinois and Wisconsin savings, building and loan associations, A. R. Gardner, President, reported on July 13. It was the largest disbursement for any month so far in 1942, he indicated, but stated that it was little more than half of the amount advanced in June, 1941. Meanwhile, June repayments ($1,814,911) to the bank were larger than in May or in last June, in line with the war economy aim of discouraging unnecessary expansion of credit.

Items About Banks, Trust Companies

One of the nation's largest savings banks was organized on July 16, under the name of The Manhattan Savings Bank, by the combination of The Manhattan Savings Institution and the Citizens Savings Bank, two of New York's oldest savings institutions.

The newly formed bank has five offices in Manhattan, serving 139,000 depositors, and total resources in excess of $103,000,000. Willard K. Denton, formerly President of the Manhattan, was named President of the combined bank.

"The combination of resources and facilities and the consolidation of trustees, officers and personnel will result in a more direct and efficient service to the government and the public," Mr. Denton said in announcing the merger.

Pointing to the important contribution to the war effort already made by the savings banks system, Mr. Denton stated that The Manhattan Savings Bank and the other mutual savings banks of the State have already made available to the United States Treasury over $2,250,000,000 through the purchase of government securities for their own accounts and the sale of War Bonds to the public.

"Furthermore," Mr. Denton added, "the consolidation of these two banks will result in a more flexible organization with increased operating efficiency permitting the reassignment of the duties and responsibilities of those employees and officers who enter the military service."

The main office of the Manhattan Savings Bank is located at 754 Broadway at Eighth Street. The four branches are at Broadway and Bleecker Street, Lexington Avenue and 51st Street, Bowery and Canal Street and at 154-156 East 86th Street.

Last May, the Manhattan Savings Institution was merged with the Metropolitan Savings Bank; referred to in these columns of May 21, page 1960.

George E. Spargo has been elected a Director of the Federation Bank and Trust Co., New York, the bank announced on July 16. Mr. Spargo is assistant to the Commissioner of the New York City Park Department.

What the art of printing is doing to further our war effort is indicated in an exhibit shown in the Rockefeller Center Concourse window of the Colonial Trust Company. The display, created by Davis, Delaney & Harris, Inc., clients of the bank, consists of color printing produced by that company for the United States Government in connection with publicity efforts of various Washington departments and agencies.

Siro Fusi, former President of the Banca Commerciale Italiana Trust Co. of New York, died of heart disease on July 12 at his home in Babylon, L. I. He was 56 years old. Mr. Fusi had been associated with the banking firm of Glore, Forgan & Co., New York, since his resignation from the Banca Commerciale Italiana in 1933. A native of Milan, Italy, Mr. Fusi began his banking career with the bank's branch in Milan and during the first World War was manager of the London branch. Coming to the United States in 1918 to take an executive position in the New York agency of the firm, Mr. Fusi became President of the Banca Commerciale Italiana Trust Co. in 1925, later opened 146 branches in Boston and Philadelphia.

At the regular meeting of the Board of Trustees of The New York Trust Company, on July 21, Morris Sayre, Executive Vice President of the Corn Products Refining Co., was elected a Trustee of the trust company. Mr. Sayre has been associated with the Corn Products Refining Co. since 1908. After managing the Company's plants at Granite City and Argo, Ill., he became General Manager in 1928, with headquarters in New York. Elected a Director in 1929, he became a Vice President of the company in 1933. He is also a director of the New England Grain Products Co., the Commercial Molasses Corp., the Faries Manufacturing Co. of Decatur, Ill., and the New England Starch Co. Mr. Sayre was graduated from the University of Richmond with a B. A. degree and from Lehigh University with an M. E. degree. He is a Past President of the Alumni Society of the University of Richmond.

The Poughkeepsie Trust Co., Poughkeepsie, N. Y., has been admitted to membership in the Federal Reserve System, the New York Reserve Bank announced on July 10. This is the eighth new member bank in the Second District so far this year. All of the commercial banks in Dutchess County are now members of the System. The new member had total resources of $6,247,000 on June 30.

Thomas Henry Bodge, for 28 years Assistant Treasurer of the State Trust Co., Augusta, Me., died on July 11 at his home in Augusta. He was 75 years old.

The First National Bank of Boston reported as of June 30, total deposits of $874,286,941 and total assets of $984,553,668, compared respectively, with $845,372,703 and $955,049,543 on March 31. At the latest date cash on hand and due from banks amounted to $311,008,162, against $398,491,420; holdings of United States Government securities were shown as $257,298,145, against $162,532,887; and loans and discounts are reported as $344,266,629, against $325,912,797. Capital and surplus are unchanged at $27,812,500 and $39,187,500, respectively, and undivided profits June 30 were $16,725,801, against $16,417,897 at the end of March.

M. J. Fleming, President of the Federal Reserve Bank of Cleveland, announced on July 17 that the Pickerington Bank of Pickerington, Ohio, and the Citizens' Bank of Follansbee, Follansbee, W. Va., have been admitted to membership in the Federal Reserve System. These are the ninth and tenth State banks to be admitted to the System so far this year. The Pickerington Bank, organized in 1909, has a paid-in capital of $25,000 and its deposits at the present time are slightly less than $600,000. The Citizens' Bank of Follansbee, incorporated in 1906 with an initial capital of $25,000. W. E. Mahan, the President and a director of the bank, stated on July 17 that the matter of membership in the System had been given consideration for some time and that the capital of the bank was increased on Dec. 31 of last year to $50,000 through a 100% stock dividend to enable the bank to qualify for membership. The bank, it is stated, has deposit liabilities at the present time in excess of $900,000.

The Directors of the Industrial National Bank of Chicago have elected Edmund Z. Richards and Fred O. Sack Assistant Cashiers and Frank J. Houska, Assistant Auditor, according to an announcement made by John D. Ames, President of the bank.

Mr. Richards, who started with the bank 16 years ago as an office boy, has been in charge of the Automobile Loan and Finance Division. Mr. Sack, who also started as an office boy twelve years ago, has been Chief Clerk in the Checking Department. Mr. Houska is made assistant to Robert N. Vieracker, the bank's Auditor.

The Industrial National Bank, formerly the Personal Loan & Savings Bank, is celebrating its 25th anniversary this month. The bank was founded on July 27, 1917.

Operating earnings of American Trust Co., San Francisco, for the six months ended June 30, 1942 amounted to $1,024,397 after expenses, depreciation and taxes, but before additions to reserves, according to an announcement issued by Blyth & Co., Inc. Such earnings were equivalent to $6.83 per share of preferred stock and $2.32 per share of common stock. Comparable operating earnings for the six months ended June 30, 1941 were $886,017, equivalent to $5.91 per share of preferred stock and $1.96 per share of common stock. $200,000 of total earnings for the six months ended June 30, 1942 were carried to undivided profits account; dividends of $450,000 were paid during the period; and the balance of earnings were added to various reserves.

American Trust Co. again reports deposits at an all time high. Deposits as shown in the bank's mid-year statement amounted to $368,610,766, compared with $365,717,758 on Dec. 31, 1941, and $341,125,135 on June 30, 1941. Loans currently total $164,560,889, compared with $172,107,577 on Dec. 31, 1941, and $160,213,563 on June 30, 1941. Cash shows a small decline, totaling $97,991,345, as compared with $99,250,055 at the year end, and $99,692,094 on June 30, 1941. A substantial increase in holdings of United States Government bonds and notes accounted for the substantial increase in holdings of securities which totaled $124,535,033 on June 30, 1942, as compared with $112,885,910 on Dec. 31, 1941 and $97,971,144 on June 30, 1941.

Steel Plate Output Up

The steel industry has done an increasingly effective job of producing steel plates for war production, A. I. Henderson, Director of Materials, declared on July 9 in releasing June shipment figures of 1,050,962 net tons. This is the second successive month plate output has topped a million tons and continues the month by month increase started last fall. May shipments were 1,012,194 tons. Greatest factor in the increase, Mr. Henderson pointed out, has been the extremely difficult problem of converting continuous strip mills to plate production.

Mr. Henderson's statement further added in part:

"Strip mills were designed to produce large quantities of steel sheet, mostly for the automotive industry. The problems involved in rolling and handling plates one inch thick as compared to sheets one twenty-fifth of an inch are obvious. Heavier equipment is needed all along the line. Less obvious but actually more complex has been the problem of additional space to house this heavier equipment and to handle heavy plate. Partitions have been ripped out, walls moved and every sort of expedient used to make way for the plates that make ships, guns and tanks.

"How successful this effort has been is evidenced by June output of 489,704 tons of plates from strip mills that were producing none a few months ago. May production was 425,211 tons.

"This is the first time since the program opened that plate production from strip mills has exceeded that from sheared mills. These latter, regular source of plates, turned out 438,000 tons in June.

"Approximately 75% of the record June output went to fill Army, Navy and Maritime Commission requirements."

U. S. And Greece Sign Master Lend-Lease Accord

President Roosevelt and King George II of Greece held a conference at the White House on July 9, following which a joint communique was issued, announcing that "a full discussion of the mutual problems and interests of these two United Nations has taken place." The joint statement added:

"We are in complete agreement on the simple objective of prosecuting the war to a successful conclusion, at the earliest possible moment, with all the resources at the command of the two nations.

"We are firm in our determination to win the peace no less than the war, and we reassert our conviction that a just and lasting peace, based on an honest application of the Declaration of the United Nations of Jan. 1, 1942, is the basis on which the peace shall be won."

The Greek Prime Minister, Emmanuel J. Tsouderos also participated in the discussions.

Secretary of State Hull and Mr. Tsouderos, as a result of the talks, signed on July 10, on behalf of their Governments, a master lend-lease agreement. In announcing the intention to sign the pact the White House on July 9 described it as "an agreement on the principles applying to mutual aid in the prosecution of the war, by which the American and Greek governments pledge not only their mutual resources to a common victory, but their collaboration in economic policies to make possible a lasting peace."

King George and Mr. Tsouderos, it was explained by the White House, have been forced for reasons of state, to curtail their visit to America and to return as early as possible to London, where their government-in-exile is established. Previous reference to their visit in this country was made in our issue of July 2, page 23.

Pledge China Aid

Secretary of War Stimson and Secretary of the Navy Knox issued a joint Order of the Day on July 7, the fifth anniversary of the Chinese - Japanese war, paying tribute to the Chinese armed forces and promising that the United States will fight with them "to expel the aggressor from every foot of Chinese soil." The action is said to be unprecedented.

The Order of the Day, read to all members of the armed forces of the United States, follows:

"To the Armed Forces:

"Five years ago today the Imperial Japanese Government launched a brutal and unprovoked attack on the people of China.

"Lacking adequate arms and other equipment, the leaders of China have nevertheless continued their gallant resistance for five years. Today they are fighting with a tenacity and courage which are an inspiration for all defenders of democracy on every front.

"Today the members of the Army and Navy of the United States salute their comrades-in-arms in China and join with them in the firm determination to expel the aggressor from every foot of Chinese soil.

HENRY L. STIMSON,
Secretary of War.
FRANK KNOX,
Secretary of the Navy."

'Conn. Industry—A Leader'

Putnam & Co., 6 Central Row, Hartford, Conn., members of the New York Stock Exchange, have issued a folder entitled "Connecticut Industry—Always a Leader in War as in Peace." The brochure describes 33 Connecticut companies with attractive dividend records, and may be had from Putnam & Co. upon request.

Officials Named For Smaller War Plants Corp.

Appointment of the five directors of the new Smaller War Plants Corporation was announced on July 11 by Donald M. Nelson, Chairman of the War Production Board, together with the designation of Lou E. Holland, of Kansas City, Mo., one of the appointees, as deputy chairman.

The other four members are James T. Howington, of Louisville, since 1941 district manager of the WPB field office in Louisville; William S. Shipley, of York, Pa., Chairman of the York Ice Machinery Corp.; Albert M. Carter, of Murphysboro, Ill., Director of the First National Bank of Murphysboro, and Samuel Abbott Smith of Boston, President of the Thomas Strathan Co., of Chelsea, Mass.

The new corporation was capitalized at $150,000,000 by Congress to assist smaller business firms to get war contracts. Mr. Nelson pointed out that "what we have in the Smaller War Plants Corporation is a mechanism to help us increase the total quantity of essential goods needed in this war rather than a relief agency."

In a statement, Mr. Nelson said:

"I believe that the greatest usefulness of this corporation will be found in its operations along these lines:

"1. By effective and persistent work to confine the manufacture of relatively simple war items to the smaller factories, using the facilities of large plants exclusively to make those complicated and difficult items which cannot be made in the small plants.

"2. By a very great extension of subcontracting, both through the use of pools and through much greater emphasis on the farming-out of manufacture of bits and pieces by large corporations which hold prime contracts.

"3. By the conversion of small plants to essential civilian production. In our war program we cannot make a sharp distinction between military and civilian production; the distinction rather is between goods which must be produced in a total war economy, and goods which such an economy can get along without. I am convinced that a substantial number of small plants whose present production is not essential to our war economy can be extremely useful in the production of other kinds of goods.

"Some work has already been done along all of these lines, of course. Now, however, for the first time it will be possible to prosecute a broad, effective, well integrated campaign in this direction."

Payment On Norway 6s

The Kingdom of Norway is notifying holders of its 20-year 6% sinking fund external loan gold bonds, due Aug. 15, 1943, that $840,000 principal amount of the bonds of this issue have been drawn by lot for redemption on Aug. 15, 1942 at 100% of their principal amount. The drawn bonds should be surrendered for redemption on that date at the head office of the National City Bank of New York. In connection with the call, it is noted that on July 6, 1942, $819,000 aggregate principal amount of bonds of this issue, called for redemption previous to the present call, had not been presented for payment and interest thereon had ceased.

US., Iceland Sign Pact

A Lend-Lease agreement has been concluded between the United States and Iceland, it was announced on July 12 in Reykjavik, Iceland.

E. Hjalmar Bjornson, special representative of the U. S. Agricultural Marketing Administrator, Kenneth Lewis, his assistant, and Charles Gage Anderson of the Lend-Lease Administration, negotiated the agreement for 1942-43, according to the Associated Press.